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## Official Statement

### Redevelopment Agency of THE CITY OF SUNNYVALE Santa Clara County, California

**\$11,200,000**


### SERIES A PARKING LEASE REVENUE BONDS

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Bids to be received on behalf of the Redevelopment Agency of the City of Sunnyvale at the offices of Stone and Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111, at 11:00 A.M., Tuesday, April 19, 1977.



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# REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE

Santa Clara County, California

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## City Council and Members of the Agency

Donald S. Logan, *Mayor and Agency Chairman*

Dianne McKenna  
Dolowries Wulforth  
Harry Cude

Gregory K. Morris  
Gilbert R. Gunn  
Lawrence E. Stone

## City and Agency Staff

Lee S. Ayres, *City Manager, City Clerk and Executive Director of the Agency*

James A. Hildebrand,  
*City Attorney*

Gordon R. Miller,  
*Director of Community Development*

E. O. Coli, C.P.A.,  
*Finance Director and Treasurer of the Agency*

Donald M. Somers,  
*Director of Public Works*

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## Special Services

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*

### Bond Counsel and Agency General Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*

### Financing Consultants

Bank of America N.T. & S.A., *San Francisco*

### Trustee/Fiscal Agent

The First National Bank of Chicago, *Chicago*

Citibank, N.A., *New York*

### Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 29, 1977

[Stone + Youngberg...]  
Publ. debts     Munic.     Sunnyvale  
Slum clearance     "  
Retail trade     "  
City planning     Shopping centers  
Invest.     Publ. secur.



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March 29, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$11,200,000 of Series A Parking Lease Revenue Bonds of the Redevelopment Agency of the City of Sunnyvale (the "Bonds"), authorized and issued for the purpose of assisting in the financing of acquisition of sites for public parking facilities within the Sunnyvale Central Core Redevelopment Project, paying of expenses in connection with issuance, and providing a reserve fund as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Redevelopment Agency of the City of Sunnyvale with regard to the Series A Parking Lease Revenue Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Lease Agreement, the Community Redevelopment Law, the Redevelopment Plan for said Project, other documents or agreements pertaining to the Project, and financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from the Agency.

A legal opinion approving the validity of the Bonds will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel and Special Counsel to the Agency. (Said Counsel will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.)

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

Redevelopment Agency of The City of Sunnyvale

/s/ LEE S. AYRES  
Executive Director

/s/ DONALD S. LOGAN  
Chairman

ADDRESS ALL MAIL TO: P.O. BOX 607 • SUNNYVALE, CALIFORNIA 94088 • PHONE (408)739-0531

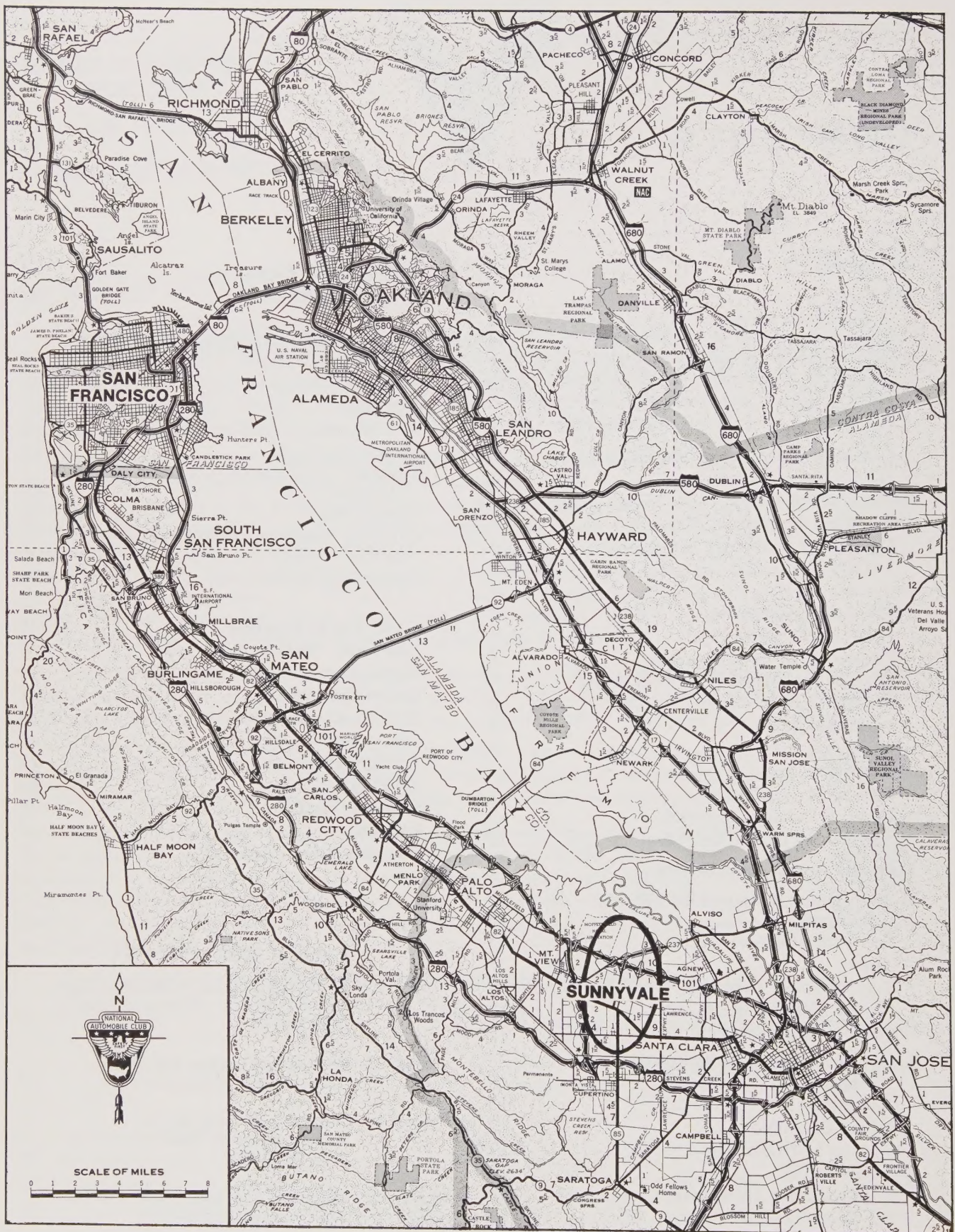
Locations: City Hall, 456 West Olive • Public Safety, 650 West Olive • Library, 665 West Olive



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Vicinity map showing the location of Sunnyvale in relation to other communities in the San Francisco Bay Area.

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# INTRODUCTION

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The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

In November of 1957 the Sunnyvale City Council determined that there was a need for redevelopment of portions of the city, and by resolution activated the Redevelopment Agency of the City of Sunnyvale (the "Agency"), which is a public entity separate and apart from the city. The City Council declared itself to be the Agency.

The Sunnyvale Central Core Redevelopment Project (the "Project"), for which the Redevelopment Plan was adopted on November 26, 1975, consists of about 184 acres in the city's central business district.

The major development presently scheduled for the Project area is the Sunnyvale TownCenter regional shopping center which is being developed by a partnership consisting of Ernest W. Hahn, Inc. and STC Properties Corp. (a wholly owned subsidiary of R. H. Macy & Co., Inc.) as general partners, and R. H. Macy & Co., Inc. as a limited partner (the "Developer"). Under the terms of the Disposition and Development Agreement between Developer and the Agency dated June 23, 1976, as presently proposed to be amended, the Agency will convey to the Developer the site for the center, while the Developer agrees to build a regional shopping center of no less than 580,000 gross square feet. The Agency agrees to construct not less than 3,395 parking spaces. The shopping center will be a fully en-

closed two-level mall planned for three department stores (Macy's, Ward's and a third to be named, if obtainable) and approximately 100 specialty stores.

As of the date of this official statement, the Developer is negotiating final terms of a Construction, Operation and Reciprocal Easement Agreement ("R.E.A.") with Macy's and Ward's, and expects that such document will be approved, signed and in escrow by September 30, 1977. Draft copies of the R.E.A. have been circulated and approved in principle, with certain noted exceptions. The exceptions are not considered material or substantive, and are the subject of current negotiations. Both Macy's and Ward's have approved the concept of the Sunnyvale TownCenter, and have signified their intention to locate in the center, subject to approval of the R.E.A. and the satisfaction of other conditions precedent. The R.E.A. will be amended to include the third major department store when the latter tenant is selected.

Ernest W. Hahn, Inc. presently maintains an equity interest in 15 regional shopping centers which it also manages, including three within redevelopment projects in California. This firm also has nine centers under construction and an additional 17 are planned. The Hahn organization is one of the largest shopping center developers in the nation. R. H. Macy & Co., Inc. is one of the country's largest retailing firms, operating 75 Macy's stores in 10 states, along with other retail operations under other names.

On April 19, 1977, the Agency will offer for sale \$16,800,000 of Sunnyvale Central Core Redevelopment Project 1977 Bonds (said bonds being the subject of a separate official statement). Such bonds are tax allocation bonds secured by the revenues generated from incremental assessed valuations within the Project area and other pledged revenues. Proceeds from the sale of such bonds will be used for acquisition of property for redevelopment, acquisition and relocation expenses, demolition costs, construction of public improvements and related administrative and financing expenses, as more fully discussed in the section of this official statement entitled "Sunnyvale Central Core Redevelopment Project."

The \$11,200,000 of Series A Parking Lease Revenue Bonds being offered for sale pursuant to this official statement will be used to finance the acquisition of sites for public parking facilities within the Project; to establish a bond reserve and a fund for payment of the first 36 month's interest on the bonds; and to pay related costs.



The Series A Bonds are secured by a pledge of the rental revenues due the Agency from the city under a lease of the parking project. It is anticipated that Series B Parking Lease Revenue Bonds, in the estimated principal amount of approximately \$10,000,000 will be issued within the next 24 months to finance the completion of the parking facilities described herein and to provide for retirement or refunding of certain Parking District Bonds heretofore issued by the city, as discussed hereinafter.

The parking sites to be acquired and cleared with the proceeds of the Series A Bonds will be leased to the city under terms of a lease agreement dated as of May 1, 1977. The lease will terminate on April 30, 2076. The lease may be terminated earlier in the event of condemnation or destruction of the public parking project, or default by the city under terms of the lease. The lease provides that the city will pay the Agency annual preliminary rentals or base rentals in equal semi-annual installments on October 15 and April 15 of each year. Rentals will commence on the later of October 15, 1980 or the date the Agency gives the city written notice that the property is available for use for parking purposes. The expected completion date of acquisition of the parking sites is March 15, 1978. The October 15, 1980 date for commencement of base rental payments has been established in order to allow sufficient time for the private development to be completed and be reflected on the tax rolls, and to provide ample time for completion of acquisition and construction of the proposed parking facilities. Any surplus tax increment revenues received by the Agency (in excess of debt service requirements on outstanding Tax Allocation Bonds), may be applied to city lease payments for application to debt service on the Bonds described herein.

Ordinance No. 1847-77 of the city provides for a maximum annual rental payment of \$2,000,000 (after issuance of Series B Bonds for construction of public parking facilities). The actual amount of preliminary rental will be determined after the sale of the Series A Bonds and will be in an amount sufficient to cover annual Series A Bond service requirements over the entire term of the issue. Maximum annual debt service on the Series A Bonds is estimated at \$937,400.

The city is required to provide for the operation and maintenance of the parking facilities to be constructed on the sites and to pay to the Agency as additional rent the amount necessary to pay taxes and assessments, if any, premiums for insurance

required by the lease or the bond resolution and any other expenses of the Agency in connection with the parking project which are not met from other sources of funds.

To insure prompt payment of the bonds, certain safeguards are provided in the resolution providing for their issuance, including the following provisions.

1. An amount equal to the first 36 months' interest on the bonds will be deposited in the Principal and Interest Fund from the bond proceeds. Interest is funded through the property acquisition phase (estimated to be completed by March 15, 1978), and the construction phase (to be funded from Series B Bond proceeds). Completion of the entire parking acquisition and construction project is scheduled for October 1, 1979, pursuant to the Disposition and Development Agreement, or seven months prior to the date that capitalized interest will be exhausted.

2. A Reserve Fund will be initially established in an amount equal to one-half of maximum annual debt service, and following completion of the parking project (only contemplated after the issuance of additional bonds) will, through accumulation of interest earnings, be required to be increased to an amount equal to maximum annual debt service.

3. Various types of insurance will be provided including fire and extended coverage insurance, earthquake insurance and business (rental) interruption insurance for the foregoing perils equal to twelve months' rental, plus public liability and worker's compensation protection.

4. A policy of title insurance will be obtained in the amount of \$11,200,000 insuring the Agency's fee simple title in the property to be transferred to the Agency at the time of bond delivery. Additional policies of title insurance will be obtained as the Agency acquires the balance of the property comprising the public parking project. All such policies will contain endorsements in favor of the fiscal agent, as trustee.

*This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Official Notice of Sale, the Project Lease, and Resolution No. 155-77 of the Redevelopment Agency of the City of Sunnyvale for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.*



# THE BONDS

*The statements herein concerning the Bonds, the Project Lease and the Resolution are summaries of certain provisions thereof. They do not purport to be complete, and are qualified in their entirety by reference to said Lease and Resolution, copies of which accompany this official statement as originally distributed.*

## Authority for Issuance

The \$11,200,000 of Series A Parking Lease Revenue Bonds of the Redevelopment Agency of the City of Sunnyvale (the "Bonds") will be issued under provisions of the Community Redevelopment Law, Part 1 of Division 24 of the California Health and Safety Code, commencing with Section 33000 (the "Law") and pursuant to the terms of a Resolution of the Agency adopted March 3, 1977, as amended March 29, 1977 (the "Resolution").

It is anticipated that Series B Parking Lease Revenue Bonds, in the estimated principal amount of about \$10,000,000, will be issued within the next 24 months to finance the completion of the parking facilities described herein and to provide for retirement or refunding of certain Parking District Bonds heretofore issued by the city, as discussed hereinafter.

## Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Redevelopment Agency of the City of Sunnyvale until 11:00 A.M., Tuesday, April 19, 1977. Details as to the terms and place of sale are included with the Official Notice of Sale, adopted March 29, 1977, a copy of which is included with this official statement as originally distributed.

## Description of the Bonds

The \$11,200,000 of Bonds will be issued in denominations of \$5,000 each and will be numbered A1 through A2240. The Bonds will be dated May 1, 1977, and will mature serially on May 1 of each of the years and in the amounts shown opposite.

## SCHEDULE OF MATURITIES

Years	Principal Maturing May 1	Years	Principal Maturing May 1
1981 ...	\$150,000	1995 ...	\$ 390,000
1982 ...	160,000	1996 ...	415,000
1983 ...	170,000	1997 ...	445,000
1984 ...	185,000	1998 ...	475,000
1985 ...	195,000	1999 ...	510,000
1986 ...	210,000	2000 ...	545,000
1987 ...	225,000	2001 ...	580,000
1988 ...	240,000	2002 ...	625,000
1989 ...	260,000	2003 ...	665,000
1990 ...	275,000	2004 ...	715,000
1991 ...	295,000	2005 ...	765,000
1992 ...	315,000	2006 ...	815,000
1993 ...	340,000	2007 ...	875,000
1994 ...	360,000		

Interest will be payable semiannually on May 1 and November 1 of each year, except that interest for the first year will be payable on May 1, 1978.

Both interest and principal will be payable at the office of the Fiscal Agent (identified as the Trustee in the Resolution), the Bank of America N.T. & S.A. (Corporate Agency Division), in San Francisco, California, and at paying agents of the Agency in Chicago, Illinois and New York, New York.

## Registration

The Bonds will be issued as coupon bonds which may be exchanged for fully registered bonds. The fully registered bonds will be exchangeable for coupon bonds under the terms set forth in the Resolution.

## Redemption

Except in the event of condemnation of the Project or substantial damage which renders the Project or any portion unuseable, Bonds maturing on or before May 1, 1992, a total principal amount of



\$2,680,000, are not subject to call for redemption prior to maturity. Bonds maturing on and after May 1, 1993, a total principal amount of \$8,520,000 may be called for redemption, at the option of the Agency, in inverse order of maturity, and by lot within a single maturity on any interest payment date commencing May 1, 1992.

The Bonds are redeemable at par value plus accrued interest and a premium of one quarter of one percent of par value or each year or fraction of a year from the redemption date to the maturity date. The maximum premium payable if the Bonds were redeemed on May 1, 1992, would be 3¾ percent.

In the event that all or a portion of the Project is condemned or damaged, the Agency may use the proceeds of the award in condemnation or insurance proceeds to provide substitute facilities to be rented to the city or to call and redeem Bonds without premium. If only a portion of the property should be condemned or damaged and less than all the outstanding Bonds are to be redeemed, the Fiscal Agent will select a principal amount in each maturity to be redeemed so as to provide for as nearly equal bond service as possible on the remainder of the Bonds. The Bonds to be redeemed within each maturity will be selected by lot.

Notice of redemption is to be given as provided in the Resolution.

## Legal Opinion

The unqualified legal opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel for the Agency, attesting to the validity of the Bonds will be furnished without cost to the original purchaser of the Bonds. A copy of the legal opinion will be printed on each bond without charge to the purchaser.

## Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency and city, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement or omits to state any material fact necessary to make the state-

ments therein, in light of the circumstances in which they were made not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or city since the date of such official statement.

## Other Closing Documents

In addition to the opinion of Bond Counsel and the certificate concerning the official statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds (together with an approving opinion of counsel concerning such certificate).

2. **No Litigation Certificate.** A certificate of a responsible officer of the Agency that there is no litigation pending affecting the validity of the Bonds.

3. **Signature Certificates.** Certificates of the respective officers and representatives of the Agency showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.

4. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the Agency.

## Tax Exempt Status

In the opinion of bond counsel the interest on the Bonds is exempt from income taxes of the United States under present federal income tax laws (except that interest on Bonds held by any substantial user of the project or related person may be taxable). Such interest is also exempt from personal income taxes of the State of California under present state income tax laws.



## Eligibility for National Banks

A request has been made to the Controller of the Currency for a ruling that the Bonds are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. A response to the request is expected prior to the date of sale of the Bonds.

## Legality for Investment in California

The California Community Redevelopment Law provides that debt instruments authorized and issued in the same manner and for the same purposes as the Bonds described herein shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such debt instruments are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that debt instruments of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state. The Agency has not requested a separate ruling from said Superintendent of Banks as to these Bonds.

## Security

Series A Bond principal and interest are secured by an exclusive pledge of the preliminary rental payable by the City of Sunnyvale to the Agency for the use of the Minimum Facilities, as defined in the Resolution, under terms of the lease described below, and, together with additional bonds to be issued for construction of the Public Parking Facilities (as defined in the Resolution), a pledge of the base rental payable under the lease.

Any income derived by the Agency from the investment or deposit of money held in any fund or account created in connection with the sale of the Bonds during acquisition, construction or development of the Public Parking Project shall be trans-

ferred to the Acquisition and Construction Account (as hereinafter described), and thereafter shall remain a part of each fund or account.

## Purpose

The Bonds are being issued to finance the acquisition of sites for public parking facilities within the Sunnyvale Central Core Redevelopment Project, to pay incidental costs related thereto, to provide certain reserves and funds for the payment of Bond interest, and to meet costs of Bond issuance. The public parking project is to be leased to the city, as described in the two following sections. An estimate of the application of total Bond proceeds is presented in the following tabulation:

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### DISPOSITION OF BOND PROCEEDS

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Project expenditures .....	\$ 8,520,000
Reserve Fund .....	482,000
Capitalized interest (@ 7%) .....	2,352,000
Provision for discount (2% maximum) .....	224,000
Costs of issuance .....	122,000
Less: interest earnings (@ 5%) ....	(500,000)
Total Bond Issue .....	<u>\$11,200,000</u>

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## The Lease Agreement

The parking sites to be acquired and cleared with the proceeds of these Bonds will be leased under terms of a Project Lease agreement (the "Lease"), dated as of May 1, 1977. The Lease will terminate by its terms on April 30, 2076, and may be terminated earlier in the event of condemnation or destruction of the project, or default by the city under terms of the Lease.

Ordinance No. 1847-77 of the City Council, approving the Lease, was adopted on March 15, 1977. The ordinance becomes effective 30 days after approval. During such 30-day period the ordinance may be subject to referendum by petition.

The Lease provides that the city will pay the Agency equal semi-annual installments of preliminary rentals or base rentals on October 15 and April 15 of each year. Rentals will commence on the later of October 15, 1980 or the date the Agency gives the city written notice that the property is available for use for parking purposes. The expected completion date of acquisition of the parking sites



is March 15, 1978. The October 15, 1980 date for commencement of base rental payments has been established in order to allow sufficient time for the private development to be completed and be reflected on the tax rolls, and to provide ample time for completion of acquisition and construction of the proposed parking facilities. Any surplus tax increment revenues received by the Agency (in excess of debt service requirements on outstanding Tax Allocation Bonds), may be applied to city lease payments for application to debt service on the Bonds described herein.

Ordinance No. 1847-77 of the city provides for a maximum annual rental payment of \$2,000,000. (after issuance of Series B Bonds for construction of public parking facilities). The actual amount of the preliminary rental will be determined after the sale of the Series A Bonds and will be in an amount sufficient to cover annual Series A Bond service requirements over the entire term of the issue. Maximum annual debt service on the Series A Bonds is estimated at \$937,400.

The city is required to provide for the operation and maintenance of the parking facilities to be constructed on the sites and to pay to the Agency as additional rent the amount necessary to pay taxes and assessments, if any, premiums for insurance required by the Lease or the Bond Resolution and any other expenses of the Agency in connection with the Public Parking Project which are not met from other sources of funds.

The city is obligated under the Lease to budget for and appropriate the amount of the rentals due in each fiscal year. Under terms of the Bond Resolution the Agency is required to enforce the terms of the Lease under any appropriate remedy. Should the city default in its obligations under the Lease the Agency has the right to relet the premises for the account of the city without terminating the Lease and the city is obligated to make up any deficiencies in revenues to the Agency. It is anticipated that the city will meet annual rental payments to the Agency from increased property and sales taxes from the Project and from other available sources of funds. In the event that discretionary revenue sources are not sufficient or available for such purposes, the city may levy its unused property tax (for general purposes) of 22½ cents per \$100 assessed valuation. The unused and available tax rate, if levied, would yield approximately \$1,300,000 per year, or about 1.39 times estimated average annual debt service on the Bonds.

The Lease provides that the proceeds of any condemnation award or insurance payment for damages to the project will be used to repair or replace the facility or to call and redeem Bonds. It further provides that if the Agency has sufficient funds to repair or replace the facility (including funds to meet debt service during the time required) it must do so unless the city consents to the redemption of Bonds instead.

## **Creation of Special Funds**

The Resolution provides for the establishment of special funds for the control and administration of Bond proceeds and of the revenues pledged to meet Bond service. These funds, their sources and uses, are listed in the tabulation at the top of the following page. The tabulation also shows whether the funds are held by the Fiscal Agent or the Treasurer.

Further details of the funds are described in the following pages.

## **Disposition of Bond Proceeds**

Upon delivery of the Bonds the following amounts will be transferred to the Fiscal Agent for deposit as indicated.

1. **Principal and Interest Fund**—An amount equal to the first 36 months' interest on the Bonds (including premium and accrued interest, if any) will be deposited in the Principal and Interest Fund and used to pay interest as it becomes due.

2. **Reserve Fund**—An amount which, together with the amount already in the fund, if any, will be equal to one-half of maximum annual debt service on the Bonds will be deposited in the Reserve Fund.

Money in the Reserve Fund is to be used to pay Bond interest and principal in the event there are insufficient revenues for the purpose and money withdrawn from the Reserve Fund must be replenished from the first available revenues. The fund may also be used to meet the final payments of Bond principal and interest.

The Reserve Fund will be initially established in an amount equal to one-half of maximum annual debt service, and following completion of the Public Parking Project (only contemplated after the issuance of additional bonds) will, through accumulation of interest earnings, be required to be increased to an amount equal to maximum annual debt service.



**REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE**  
**PARKING LEASE REVENUE BONDS**  
**Special Funds**

Fund or Account	Held By	Source	Use
Acquisition and Construction Account	Treasurer	Bond Proceeds	Acquisition and Construction Costs
Revenue Fund	Fiscal Agent	City rental payments and other pledged revenues	Transfers to other funds
Principal and Interest Fund	Fiscal Agent	Bond proceeds and Revenue Fund	Payment of bond principal and interest
Reserve Fund	Fiscal Agent	Bond proceeds, interest earnings (and, if required, Revenue Fund)	Payment of bond principal and interest
Maintenance and Operation Fund	Fiscal Agent	Revenue Fund	Insurance and other project-related expenses
Surplus Revenue Fund	Treasurer	Revenue Fund	Purchase or redemption of bonds, transfers to Acquisition and Construction Account, or reimbursement of City rental payments

**3. Parking Acquisition and Construction Account**—The balance of the proceeds are to be held by the Treasurer and placed in the Parking Acquisition and Construction Account within the Redevelopment Project Redevelopment Fund. Money in the account is to be used to acquire the parking project to be leased to the city. Any balance remaining in the account may be transferred to the Principal and Interest Fund or to the Redemption Fund, in either of which cases it is to be applied as a credit toward base rental due from the city under the lease, or be retained in the account and used to finance future parking project improvements.

**Deposit and Application of Revenues**

**1. Revenue Fund**—All pledged revenues are to be placed by the Fiscal Agent in the Revenue Fund from which they will be transferred for the purposes and in the order of priority listed below.

**2. Principal and Interest Fund**—On or before April 25 and October 25 of each year, commencing October 25, 1980, the Fiscal Agent, will deposit in the Principal and Interest Fund, an amount which, together with the balance in the fund, will be suffi-

ent to pay interest becoming due on the next succeeding interest payment date, and on or before each April 25 and October 25 (commencing October 25, 1980), an amount equal to one-half of the principal becoming due on the next succeeding May 1. Moneys in this fund are to be used only to pay interest and principal on the Bonds.

**3. Reserve Fund**—The Treasurer will transfer to the Fiscal Agent for deposit in the Reserve Fund from the first available revenues the amount, if any, required to maintain the balance in the fund at an amount equal to at least one-half year's maximum annual debt service, subject to the increase specified above.

**4. Maintenance and Operation Fund**—The Fiscal Agent will place in the Maintenance and Operation Fund the amount necessary to pay taxes and assessments, if any, levied on the Project and any operating costs of the Agency in connection with the issuance of the Bonds or of the Public Parking Project to be financed by them, including insurance premiums and fiscal agent fees.

Under terms of the lease the city will operate and maintain the parking project. However if the Agency



should be required to operate and maintain it as a result of a default by the city under the lease, the costs will be met from this fund.

5. **Surplus Fund**—Any money in the Revenue Fund on April 25 of any year, beginning April 25, 1981, provided it is not required to meet future debt service requirements under the schedule of base rental payments, will be transferred by the Fiscal Agent to the Surplus Fund held by the Treasurer, and may be used by the Agency for additions or improvements to the parking project, to purchase or redeem bonds, to reimburse the city for any rental payment previously paid, or transferred to the Maintenance and Operation Fund.

## Uses of Invested Funds

Money in the Principal and Interest Fund and the Revenue Fund may be deposited or invested in accounts or federal securities which will mature on or before the date the money must be paid out of such funds. Any interest earnings will become a part of such funds.

Money in the Reserve Fund may be deposited or invested in accounts or federal securities maturing at any time prior to the last principal payment date. Interest earnings which bring the balance in the fund to an amount in excess of maximum annual debt service will be transferred to the Revenue Fund.

During acquisition, construction and development of the Project, interest earnings on any invested funds shall be transferred to the Acquisition and Construction Fund. Thereafter, such earnings will be treated in accordance with the Resolution.

## Additional Bonds

The Resolution provides that no additional bonds having a priority in payment out of the pledged revenues may be issued. Additional bonds may be issued on a parity with the Series A Bonds under the following conditions:

1. The additional bonds must be issued to finance the parking project, an addition to, or completion of, such project or to provide for the retirement or refunding of certain Parking District Bonds heretofore issued by the city, and must be declared by the Agency to be necessary for those purposes.

2. The Agency must not be in default under the Resolution providing for the issuance of these Bonds.

3. The proceeds from the sale of the additional bonds, together with any other money available for the purpose, must be sufficient to meet the costs of acquisition and construction, incidental expenses of bond issuance, interest during the period of acquisition and construction and the required transfer to the Reserve Fund as described in paragraph 5 below.

4. The Agency and the City must have entered into a new or supplemental lease agreement which provides for sufficient annual base rental payments to meet bond service requirements of the outstanding Bonds and the additional bonds.

5. Provision must be made to increase the Reserve Fund to an amount equal to at least one-half the revised maximum annual bond service amount, and provision shall also be made to increase the Reserve Fund to an amount equal to revised maximum annual debt service from earnings on investment of the Reserve Fund or other specified sources.

6. The additional bonds must be payable as to principal on May 1 and as to interest on May 1 and November 1 (provided that interest for the first year may be payable at the end of such year), and may not be subject to call for redemption prior to May 1, 1992, except in the event of condemnation or destruction of the project.

## Insurance

The resolution of issuance requires that the Agency maintain or cause to be maintained the following policies of insurance covering the parking project.

1. **Insurance Against Damages by Fire, Earthquake, Etc.**—The Agency will maintain insurance upon any structures comprising any part of the Public Parking Project against damages by the following causes in the following amounts, if obtainable from reputable insurers on the open market.

- a. *Against fire*—Insurance against fire, lightning and perils normally included under “extended coverage,” in amounts equal to the full insurable value of the parking project, or the Agency’s outstanding Bonds together with any premiums payable upon redemption, whichever is less, subject to deductible provisions not exceeding \$100,000, and providing co-insurance provisions are waived.

- b. *Against earthquakes*—Insurance against earthquakes, in amounts equal to the full insurable value of the parking project, or the Agency’s

outstanding Bonds, whichever is less, subject to deductibles of ten percent for any one loss, providing co-insurance provisions are waived.

c. *Against war risks*—Insurance against war risks in an amount not less than the value, new, of the project.

d. *Against damage by sprinkler systems, steam boilers, etc.*—Insurance against damage caused by sprinkler systems, steam boilers, pressure vessels and similar apparatus, if appropriate, in amounts to be determined by the Agency and approved by the Fiscal Agent. Such protection is not expected to be appropriate since no structure will be financed by Series A Bonds.

**2. Insurance Against Business (Rental) Interruption**—The Agency will maintain insurance against business (rental) interruption against all of the perils described above in an amount equal to at least one year's preliminary or base rental and estimated additional rental under the Lease.

**3. Liability and Worker's Compensation Insurance**—The Agency will maintain public liability insurance of at least \$250,000 per person and \$1,000,000 per accident with respect to bodily injury or death and \$50,000 for property damage, plus worker's compensation insurance for all persons employed in connection with the parking project.

## Other Covenants

The Resolution contains certain additional covenants, including but not limited to the following, under which the Agency agrees:

1. To punctually pay Bond principal and interest as they become due.

2. To pay, discharge, or contest any lawful claims and any taxes, assessments, or other governmental charges upon the parking project or the revenues which might impair the security of the Bonds.

3. To promptly acquire and clear the sites and construct or cause to be constructed the parking structure and related facilities.

4. To enforce and abide by the Lease agreement.

5. Except as permitted by the Lease, not to mortgage, encumber, sell, lease, place a charge on or otherwise dispose of the parking project or the revenues therefrom, except under the provisions for substitute facilities, and not to enter into any agreement which impairs the rights of the Bond-

holders with respect to the revenues or operation without making adequate provision to protect the rights of Bondholders.

6. To keep proper books of record and accounts and to file with the Fiscal Agent annually, within 120 days after the end of each fiscal year, detailed certified audits covering the operation of the Agency, showing revenues, expenses, insurance in force, and the status of each fund.

7. To maintain or cause to be maintained the parking project.

8. If for any reason the Agency should operate the parking project, to fix and collect charges sufficient to pay Bond principal and interest when due, to pay all operation and maintenance expenses and to maintain the special funds provided for in the Resolution.

9. In the event the city fails to budget for the rental payments as required under the Lease to take such action as is necessary to have the city budget and appropriate money for such payments and to advise the fiscal agents of the actions taken.

10. Not to make any use of the Bond proceeds which would cause the bonds to be taxable arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code, as amended, and any regulations adopted thereunder.

## Investment of Funds

The Fiscal Agent will keep the funds of the Agency invested or on deposit in such manner as will produce reasonable interest returns in the opinion of the Fiscal Agent. All such investments must mature not later than the time the funds will be required.

## Event of Default—Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable, if such failure shall have continued for 30 days;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; or



(4) If the Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the aid of debtors, any court of competent jurisdiction assumes custody or control of the Agency or of the whole or any substantial part of its property.

In the case of an event of default, the Fiscal Agent or the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding may declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default, any Bondholder shall have the right, for the equal benefit and protection of all Bondholders similarly situated—

(1) By mandamus, suit, action or proceeding, to compel the Agency and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Agency and the fulfillment of all duties imposed upon it by the Law;

(2) By suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondholders' rights; or

(3) Upon the happening of any event of default, by suit, action or proceeding in any court of competent jurisdiction, to require the Agency and its members and employees to account as if it and they were the trustees of an express trust.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting enforcement of creditors' rights.

## **Amendment of the Resolution**

The Resolution may be modified or amended by a Supplemental Resolution only with the consent of the holders of 60% of all Bonds then outstanding (exclusive of disqualified Bonds, as defined in Section 9.03 of the Resolution) unless the modification of amendment is for the purpose of curing ambiguities or defects in the Resolution; grants or confers upon the Bondholders additional rights, remedies, powers, authority or security; or to provide for the issuance of Additional Bonds in conformity with the provisions of the Resolution, in which case no Bondholder's consent is required. No modification or amendment of the Resolution shall: (1) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Agency to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the express consent of the holder of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the revenues superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or (3) modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written consent.

# ESTIMATED ANNUAL BOND SERVICE

Table 1 presents an estimate of annual debt service on the Bonds. Interest is estimated at 7 percent per annum, and average annual debt service would amount to approximately \$934,700. As stated previously, property taxes derived from the city's unused general purpose taxing power (22½ cents per \$100 assessed valuation) would generate approximately \$1,300,000 per year if other revenue sources are not available to meet city rental payments to the Agency. Such property taxes are equal to about 1.39 times estimated average annual debt service (based on the 1976/77 city assessed valuation).

**Table 1**  
**REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE**  
**\$11,200,000 Series A Parking Lease Revenue Bonds—Estimated Annual Debt Service**

Year Ending May 1	Bonds Outstanding Each May 1 <sup>①</sup>	Interest Estimated @ 7%	Principal Maturing Each May 1	Total Bond Service
1978 .....	\$11,200,000	\$ 784,000 <sup>②</sup>	\$ —	\$ 784,000
1979 .....	11,200,000	784,000 <sup>②</sup>	—	784,000
1980 .....	11,200,000	784,000 <sup>②</sup>	—	784,000
1981 .....	11,200,000	784,000	150,000	934,000
1982 .....	11,050,000	773,500	160,000	933,500
1983 .....	10,890,000	762,300	170,000	932,300
1984 .....	10,720,000	750,400	185,000	935,400
1985 .....	10,535,000	737,450	195,000	932,450
1986 .....	10,340,000	723,800	210,000	933,800
1987 .....	10,130,000	709,100	225,000	934,100
1988 .....	9,905,000	693,350	240,000	933,350
1989 .....	9,665,000	676,550	260,000	936,550
1990 .....	9,405,000	658,350	275,000	933,350
1991 .....	9,130,000	639,100	295,000	934,100
1992 .....	8,835,000	618,450	315,000	933,450
1993 .....	8,520,000	596,400	340,000 <sup>③</sup>	936,400
1994 .....	8,180,000	572,600	360,000 <sup>③</sup>	932,600
1995 .....	7,820,000	547,400	390,000 <sup>③</sup>	937,400
1996 .....	7,430,000	520,100	415,000 <sup>③</sup>	935,100
1997 .....	7,015,000	491,050	445,000 <sup>③</sup>	936,050
1998 .....	6,570,000	459,900	475,000 <sup>③</sup>	934,900
1999 .....	6,095,000	426,650	510,000 <sup>③</sup>	936,650
2000 .....	5,585,000	390,950	545,000 <sup>③</sup>	935,950
2001 .....	5,040,000	352,800	580,000 <sup>③</sup>	932,800
2002 .....	4,460,000	312,200	625,000 <sup>③</sup>	937,200
2003 .....	3,835,000	268,450	665,000 <sup>③</sup>	933,450
2004 .....	3,170,000	221,900	715,000 <sup>③</sup>	936,900
2005 .....	2,455,000	171,850	765,000 <sup>③</sup>	936,850
2006 .....	1,690,000	118,300	815,000 <sup>③</sup>	933,300
2007 .....	875,000	61,250	875,000 <sup>③</sup>	936,250
		\$16,390,150	\$11,200,000	\$27,590,150

① Outstanding prior to payment of principal in each year indicated.

② Paid from bond proceeds.

③ Subject to call and redemption on and after May 1, 1992.

Note: Average life equals 20.91 years.



Land-use map of the City of Sunnyvale from the city's General Plan.



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# REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE

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## The Redevelopment Agency

In 1957 the Sunnyvale City Council took action that formally recognized the need for redevelopment of portions of the city. The Agency was created under the provisions of the Community Redevelopment Law by Resolution No. 2600, approved and adopted by the City Council on November 19, 1957, and at the same time the City Council declared itself to be the Agency. The Agency appoints an Executive Director to implement Agency policies and administer redevelopment activities.

City staff provides technical services connected with redevelopment projects, including fiscal services, engineering, planning, legal assistance and other functions necessary for project implementation. As such, staff employees assigned to Agency activities are employees of the City of Sunnyvale, and participate in all of the city's employee benefit programs.

The City Manager also acts as Executive Director of the Redevelopment Agency. Mr. John E. Dever, who served as City Manager from 1967 to December 1976, acted as Executive Director during the formulative stages of the Project. His replacement after Mr. Dever's departure to become City Manager of the City of Long Beach assumed all responsibilities for implementation of the Project. Mr. Lee S. Ayres became City Manager and Executive Director of the Agency effective March 1, 1977. He has previously served as City Manager of the Cities of Overland Park, Kansas and Titusville, Florida. Mr. Ayres received his baccalaureate in Political Science from the University of Kansas, and a Masters degree in Public Administration from the same institution. He is a member of the International City Management Association and the Municipal Finance Officers Association.

Gordon R. Miller, Director of Community Development.—Mr. Miller has been employed by the City of Sunnyvale in positions of successive responsibility since July of 1957, and has been in his present position since August of 1967. He is a member of the American Society of Civil Engineers, the

American Public Works Administration, and the American Society of Planning Officials. Mr. Miller received a degree in Civil Engineering in 1946.

Agency financial records are maintained in the city's Finance Department under the supervision of the Finance Director, Mr. E. O. Coli, who also acts as Treasurer of the Agency. Mr. Coli has served the city since 1965, and has gained a total of 11 years experience in the field of municipal auditing, accounting, budgeting and related activities with the City of Sunnyvale. He is a Certified Public Accountant, with a bachelor's degree in accounting from the University of San Francisco. He is a member of the California CPA Society, the California Society of Municipal Finance Officers, and the Municipal Finance Officers Association of the United States and Canada.

## Powers

All powers of the Agency are vested in its seven members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and the power to issue bonds, notes or other evidences of indebtedness, and expend their proceeds. The Agency itself does not have the power to levy taxes.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefitting the Project, the Agency itself cannot construct any buildings contemplated under the Redevelopment Plan but must convey property in the Project by sale or lease at fair value, for private redevelopment in strict conformity with the Plan. The Agency may specify a period of time within which such development must begin.

## Redevelopment Financing

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon a prescribed allocation of property taxes collected within a project. The assessed valuation of

taxable property within the project is, in effect, frozen at the level set forth in the assessment rolls last equalized prior to the effective date of the ordinance adopting the redevelopment plan, and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against the assessed valuation of the project up to an amount equivalent to this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and be pledged to the repayment of any indebtedness incurred in the development of the project. Such income is referred to as "tax increment revenue," and in tax allocation bond financing is defined as "Tax Revenue." The county in which a redevelopment project is located also distributes to the agency the incremental delinquent taxes in the same manner when they are collected. After all indebtedness of the agency for a given project has been repaid, the total

taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtedness incurred in behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership, or as other land development activities result in a short-term reduction in assessed valuation. While assessed valuations are less than the frozen base, overlapping taxing entities receive only the taxes derived from the current tax rate applied against the actual assessed valuation. As an agency

Stores and offices in the Town and Country Village Shopping Center which is within the Central Core Redevelopment Project. This center was developed under the city's first redevelopment project.





disposes of land to private ownership for purposes of redevelopment, it is returned to the tax rolls with an assessed valuation that usually reflects the higher level of planned use prescribed in the redevelopment plan. In the event that privately-owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate tax increment revenues from any new development will not be impaired.

As previously stated, the Community Redevelopment Law authorizes the incurrence of indebtedness by a redevelopment agency, and the payment of debt service costs is permitted from any one or a combination of stated sources. The 1977 Bonds now being offered for sale by the Agency are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project, which are to be paid directly into the Agency's Special Fund established for the benefit of the bondholders, and held by the Fiscal Agent. These bonds are also secured by a pledge of all net proceeds received from the disposition of property within the Project (defined as the Net Revenues), and other available revenues of the Agency (which may include advances or contributions by the City of Sunnyvale).

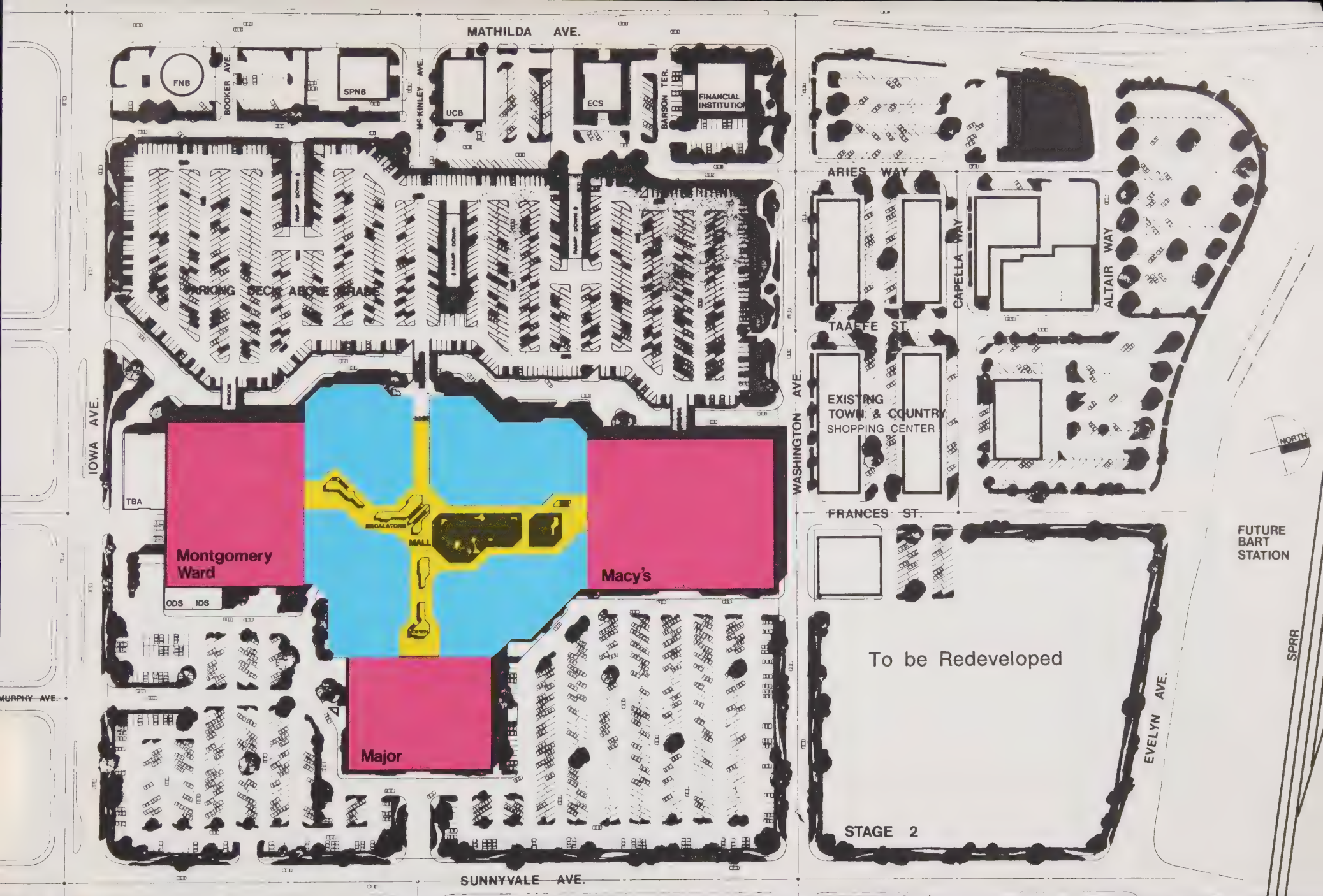
An additional method of financing permitted under the Law is through the issuance of lease-revenue bonds by a redevelopment agency for the acquisition and construction of public facilities which will be leased to the local community. The Series A Parking Lease Revenue Bonds being offered concurrently with the 1977 Bonds represent the utilization of this method of financing redevelopment activities. Payment of the lease-rentals each year becomes a general fund obligation of the city, for which any unrestricted funds may be used, including the city's available and unused 22½ cent taxing power (which would generate about \$1,300,000 per year on the basis of current assessed valuations). The Agency's financing program is discussed in the Introduction to this official statement, and elsewhere herein.

## **Agency Financial Statements**

The Redevelopment Agency of the City of Sunnyvale is a public entity separate and apart from the City of Sunnyvale, but is entirely staffed by employees of the city. All accounting records of the Agency operations are maintained by the city's Finance Department as part of the city records. Commencing with the current 1976/77 fiscal year, records of the Agency will be maintained separately, and separate audit reports will be prepared each year by independent certified public accountants retained by the Agency (as required by the Resolution). Since Agency costs to date have been minimal and are included under various expenditure classifications of the City Budget and accounting system, separate financial records are not available.

## **Previous Agency Project**

In 1967 the Agency adopted a redevelopment plan for a 19.2 acre commercial redevelopment project. With the assistance of the Department of Housing and Urban Development ("HUD"), the Agency acquired and cleared property within the project area, and re-sold the entire site to a developer. A neighborhood shopping center was constructed with six buildings containing a gross floor area of 94,000 square feet and housing 49 shops and services. Agency and federal involvement in this project has been completed for several years. Known as the Town and Country Village Shopping Center, this development is within the Sunnyvale Central Core Redevelopment Project described in this official statement. Total costs for this project approved by HUD (after deduction of the proceeds from the re-sale of land) amounted to \$4,403,041, of which \$2,812,704 were met from federal grants, and the balance of \$1,590,337 was provided by the City of Sunnyvale. The previous project has no connection with the Project described in this official statement, and the above discussion is presented only as a matter of information to any interested party.



second level plan

Sunnyvale



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# SUNNYVALE CENTRAL CORE REDEVELOPMENT PROJECT

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## Background

The Redevelopment Plan (the "Plan") for the Sunnyvale Central Core Redevelopment Project was adopted by the Agency and the City Council pursuant to its Ordinance No. 1796-75 on November 26, 1975. This Project, the second to be undertaken by the Agency, is located in the central area of the city adjacent to the civic center complex. Conditions in the Project area prior to adoption of the plan met the statutory conditions for blight, with findings of high vacancy rates, long-term vacant commercially-zoned lots, older substandard commercial structures and general economic stagnation. Such findings are prerequisites, under the Law, to commencement of actual redevelopment activities.

Certain revisions to the Law have been enacted by the State Legislature and approved by the Governor which became effective for various provisions on October 1, 1976 and January 1, 1977. Since the Plan for the Project was adopted prior to the effective date of such statutory amendments, it is believed that the Plan and the proposed financing program will not be affected by, or subject to these amendments to the Law.

## Project Description

The Project is an approximately rectangular area covering 183.6 acres bounded by the Southern Pacific railroad tracks north, Carroll Street on the east, El Camino Real-Old San Francisco Road on the south and Charles Street on the west. The Project area covers the original business district of the city and the surrounding housing, along with the expanded commercial area which has become the city's principal retail and administrative center.

Following is a brief description of the Project area, which has been divided into three sub-areas in terms of planned redevelopment activity and land uses.

**Area 1.** (40 acres $\pm$ ) This area, presently developed with older commercial and residential structures, except for a number of recently constructed financial institutions along Mathilda Avenue, is the primary clearance area. When the 8-block area is cleared, it will become the principal retail center for the city with construction of the Sunnyvale Town-Center shopping mall, as discussed in detail in subsequent paragraphs of this section of the official statement. The two issues of bonds currently offered for sale (the Agency's 1977 Bonds and the Series A Parking Lease Revenue Bonds which are described in separate official statements of the Agency) will be utilized primarily to finance land acquisition, clearance, relocation and other necessary improvements to the site for the shopping mall and off-street parking facilities. The Agency currently estimates that it will acquire approximately 90 parcels of privately-owned property within Area 1 (about 50 percent of the total property in this area), necessitating the relocation of 34 residents and 146 commercial occupants.

**Area 2.** (12 acres $\pm$ ) This area, presently consisting of commercial, residential and light industrial properties, covers three blocks. It is planned to become an office area supporting the retail center with the possibility of some retail outlets. Acquisition and relocation activities will be required for the implementation of redevelopment in Area 2, but a firm program has not yet been adopted. It is expected that redevelopment of this area will follow construction of the TownCenter shopping mall, but may commence at an earlier date.

**Area 3.** (131 acres $\pm$ ) The remaining area within the Project, consisting primarily of single family residential dwellings with some apartment units and commercial property, will be redeveloped only on an individual parcel basis as needed. The overall objective in this area is to stabilize and protect existing properties while upgrading only those needing, and having potential for, improvement.

## Controls and Land Use

All real property in the Project area is subject to the controls and restrictions of the Plan. All new construction must comply with all applicable State statutes and local laws in effect including the city zoning ordinances and city codes for building, electrical works, heating and ventilating, and housing and plumbing. In addition to the traditional zoning



Existing conditions within the Central Core Redevelopment Project.

controls, there are supplementary controls in the letting of contracts and the imposition of deed restrictions and covenants which can assure that the redeveloper's obligations are met. Within Area 3, the non-clearance stabilization area, a great reliance will be placed on voluntary action in concert with the Plan. The city need not rely entirely on voluntary action, however, since the ability to enforce zoning, building and housing codes is always present.

In the non-clearance stabilization area some adjustment in the present R-4 zoning is required in order to reduce the possibility of incompatible structures being erected on small lots as is now permissible. Such an adjustment could take the form either of establishing a larger minimum lot size before maximum densities could be achieved or, as a temporary measure, the addition of a Planned Develop-

ment Combining District or the use of interim zoning. In addition, the Agency has the obligation to provide for non-discrimination clauses in all deeds, leases or contracts for sale, lease or sub-lease or other transfer of land in the Project.

The Project area redevelopment must comply with the General Plan for the city. The city has grown under a series of general plans, the first, adopted in 1957, the second adopted in 1963, and substantially amended in 1972, in order to reflect changes in policy made during the intervening years and to conform with the requirements of Section 65302 of the Government Code. Further minor amendments were adopted in 1973, 1974 and 1975. The Project as currently proposed is also wholly consistent with the current General Plan for the city and is, in fact, designed to bring the plan into reality.

Example of deteriorated property and improper land use within the Project.





As far as traffic circulation is concerned, the Plan retains the principal framework of existing streets with the main traffic arteries giving access to the Project area being El Camino Real, Mathilda Avenue, Evelyn Avenue and Sunnyvale Avenue, with Washington Avenue, Iowa Avenue and Olive Avenue serving as principal east-west collectors.

Within the primary clearance area (Area 1), all or part of Murphy Avenue, Frances and Taaffe Streets and McKinley Avenue are expected to be vacated. A portion of McKinley Avenue will be retained as entry points.

Minor changes in the street pattern may result as designs crystalize in order to channel main traffic flow onto boundary streets rather than through the interior residential streets.

A key consideration in the detailed site design for the Project will be appropriate provision for convenient and efficient access and loading facilities for mass transit vehicles.

The basic land use patterns will follow current plans as shown in the General Plan and as reflected in the Zoning Ordinance. Within the primary clearance area there is presently approximately 526,000 square feet of non-residential floor area of which approximately 130,000 square feet were vacant at the time of a survey in 1975. There will be an increased intensity of development within this area over what now exists, but within present zoning limits. Such an intensity of development will require provision for parking of cars at a ratio of one per each 180 square feet of gross floor area, most of which would be in parking structures.

The secondary clearance area (Area 2) presently has approximately 135,000 square feet of non-residential floor area of which 19,000 were vacant in 1975. This area is planned for less intensive commercial use with the primary emphasis on offices, with some possibility of satellite and service commercial uses. The existing C-3 Zoning regulations allow residential development by use permit, and the possibility of integrating in-town living quarters with the commercial development will be explored as site and architectural plans are developed.

Within the balance of the Project (Area 3) no major change of use or intensity will come about as a direct result of the redevelopment activity. No change is contemplated within the area occupied by the Town and Country Village shopping center; north of Washington Avenue and west of Frances Street. No change is contemplated in the financial

institutions on the east side of Mathilda Avenue. West of Mathilda Avenue, the General Plan and the Zoning Ordinance contemplate a gradual conversion to office use. South of Iowa Avenue, between Carroll Street and Mathilda Avenue, the General Plan and the zoning contemplate a gradual change from low intensity residence to high intensity residential use with offices. The Redevelopment Plan does not seek to hasten this conversion. In fact, within the non-clearance areas, the emphasis will be placed on measures to assure an orderly transition rather than a scattering of ill considered conversions or sub-optimum new construction. The net result is expected to be a slowing, as well as a controlling of the transition process. This non-clearance residential area presently contains approximately 380 dwellings, 219 of them single family. If this same area were all developed residentially as zoned, it could accommodate approximately 1,800 dwelling units.

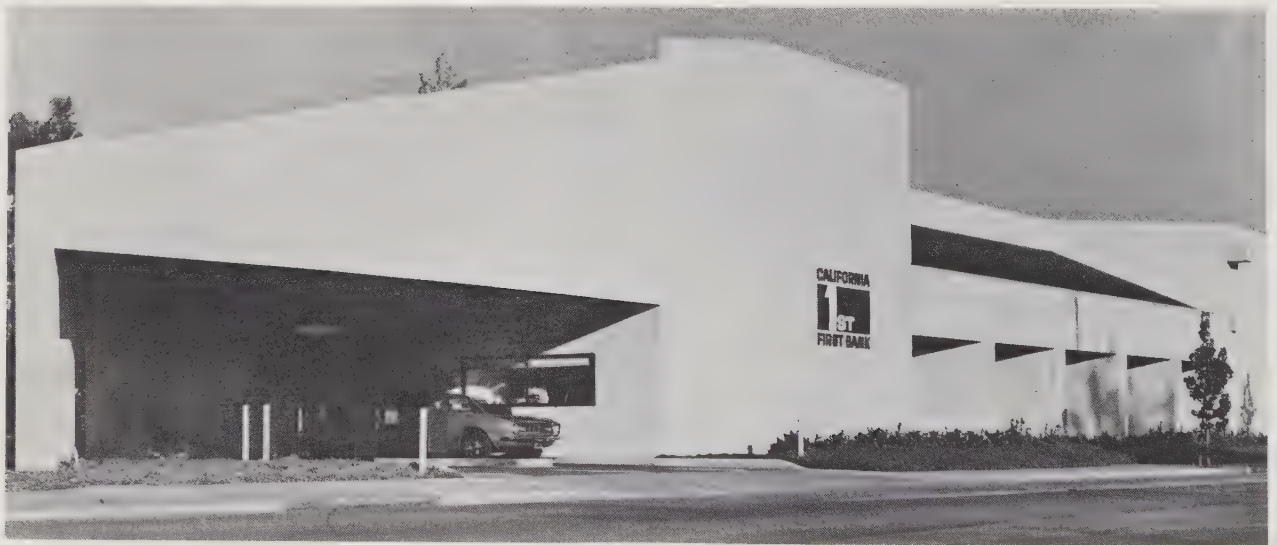
## **Project Status**

While the Agency has not begun any material portion of the Project area improvements, about \$733,000 in increased assessed valuations on the local secured roll have been recorded from higher assessment of existing property, additional property in the Project, or from new development completed, under construction or approved by private developers since adoption of the Redevelopment Plan. However, this has been offset by a decrease of about \$1.1 million in assessed valuation, principally on the unsecured roll. This is due principally to the closing of a 64,000 square-foot department store and the resulting loss of assessed valuation of inventories and fixtures from the assessment rolls. The vacant department store is one of the structures to be acquired and removed by the Agency as part of the redevelopment process. To date, the city, on behalf of the Agency, has expended approximately \$240,000 in preliminary Project costs which are not expected to be recovered from proceeds of the current financing program.

The major single development scheduled for the Project area is the Sunnyvale TownCenter regional shopping center which is being developed by a limited partnership called Sunnyvale TownCenter Associates, which consists of Ernest W. Hahn, Inc. and STC Properties Corp. (a wholly owned subsidiary of R. H. Macy & Co., Inc.) as general partners, and R. H. Macy & Co., Inc. as a limited partner (the "Developer"). Under the terms of the Disposition and Development Agreement (the "Agreement")



Several financial institutions have been constructed within the Central Core Redevelopment Project, including the three shown here.





between the Developer and the Agency dated June 23, 1976, as amended (see below), the Agency will convey to the Developer the portion of the site identified as the "Developer Parcel," while the Developer agrees to build a regional shopping center of not less than 580,000 square feet, but is actually planned for approximately 807,000 square feet of gross building area (having approximately 674,000 square feet of gross leased area). The Agency is required to provide off-street parking facilities for approximately 3,370 vehicles partially on a site identified as the "Agency Parcel." Although the proposed amended Agreement provides for construction of a shopping center containing not less than 580,000 square feet, the Developer agrees to use its best efforts to attract a third major department store, which would increase the gross leasable area to approximately 674,000 square feet.

The Sunnyvale TownCenter will be a fully enclosed air conditioned mall located on a gross site area of approximately 34.5 acres bounded by Washington Street, Sunnyvale Avenue, Iowa Street and Mathilda Avenue. The complex will consist of not more than three major department stores (Macy's, Ward's and a third to be named, if obtainable) of two levels each, a two level enclosed tenant mall with approximately 100 specialty stores, an attached 9,500 square-foot single-story Ward's auto service center, and associated parking. The Developer is in

the process of negotiating a Reciprocal Easement Agreement with Macy's and Ward's, as discussed in the "Introduction" hereto.

The parking facilities will consist of a two-level (including ground level) parking structure containing approximately 1,138 spaces, together with surface parking having a combined capacity of about 3,370 vehicles.

Gross building area and commercial space within the center, as presently planned, is summarized in the following tabulation (excluding parking):

## SUNNYVALE TOWNCENTER

### Building and Leased Areas

	Gross Building Area (Sq. Ft.)	Gross Leased Area (Sq. Ft.)
Department Stores:		
Ward's <sup>①</sup> .....	149,864	142,370
Macy's .....	165,812	157,521
Major to be named .....	100,000	95,000
Tenant Area in Mall .....	290,750	270,400
Financial Institution .....	9,000	9,000
Public Area .....	91,620	—
Totals .....	<u>807,046</u>	<u>674,291</u>

① Includes attached tire, battery and accessory store.

One of the several new financial institutions that have been constructed within the Project.



In order to develop estimates of the assessed valuation of the Sunnyvale TownCenter development upon completion and occupancy, both the Agency and the Developer have retained qualified independent consultants to review the proposed development with the Santa Clara County Assessor to prepare estimates of assessed valuations at full development and occupancy. Independent conclusions reached by the respective appraisal consultants are approximately the same, and are supported by reports presented to the Developer and the Agency, respectively. In the report of the appraisal consultant retained by the Agency, the gross appraisal of Sunnyvale TownCenter when completed and occupied by an assumed three major department stores and approximately 100 specialty stores and other operations in the mall area is \$60 million. It has been assumed that such values will be based on cost, and that after a period of time (approximately three to five years), the appraisal would be converted to a capitalization of rental values. On the cost basis of \$60 million, the assessed valuation (at 25% of full value) would amount to almost \$15 million, as itemized in the tabulation below. The consultant has assumed that land valuation of the Developer Parcel will, at the outset, equal no more than 25 percent of the \$5,500,000 sale price (\$1,375,000), and that structures and leasehold or tenant improvements will amount to approximately \$12.17 per square foot of gross building area (assessed valuation). Business inventories and similar property are estimated at a total of \$14,000,000, or \$3,500,000 assessed valuation. The appraisal has been prepared in conjunction with consultation with the County Assessor, and is believed to represent values to be assigned to the Sunnyvale TownCenter upon full completion.

## **SUNNYVALE TOWNCENTER**

### **Estimated Assessed Valuation (1980/81)**

Land (25% of sale price) . . . . .	\$ 1,375,000
Improvements . . . . .	9,824,000
Inventories . . . . .	3,500,000
	<u>\$14,699,000</u>

The only other major project presently announced in the Project area is a two-story bank and administrative office building of Bank of America N.T. & S.A., to be constructed on a bank-owned

site. The building will contain 33,000 square feet of floor area and will serve as regional headquarters and banking office. This development is now under review by the city pending issuance of a building permit, and is expected to be completed by June of 1978. Estimated cost of this development is \$2 million (excluding land, furnishings and fixtures), which would result in an assessed valuation of at least \$500,000 by the 1979/80 fiscal year.

Other major developments constructed within the Project area since March 1, 1975 (the lien date for assessment of property which may represent an increase over the base year valuation) are as summarized in the following tabulation:

## **SUNNYVALE CENTRAL CORE REDEVELOPMENT PROJECT**

### **Development Since March 1, 1975**

Development	Estimated Construction Value
American Savings & Loan (bank/offices)	\$300,000
Armanini Building (restaurant/store) . .	48,380
Brentwood Savings & Loan (bank) . . . .	119,500
California First Bank (bank) . . . . .	183,250
Total . . . . .	<u>\$651,130</u>

Source: City Building Division of the Community Development Department.

## **Disposition and Development Agreement**

Under terms of the Disposition and Development Agreement with the Developer, the Agency is committed to convey cleared land suitable for building construction on the shopping center site (the Developer Parcel) and certain peripheral parcels, in addition to making a number of site improvements. Major modifications in existing utility systems, including water mains, sanitary and storm sewers, telephone and electrical lines and conduits, will be made to assure proper service to the shopping center. All electrical utility lines on the shopping center site will be underground.

Traffic and street systems will also be improved to assure adequate flow of vehicular traffic to and from the shopping center. The traffic control system will



be improved to accommodate the increased traffic volume resulting from the shopping center development. In addition, the major streets directly serving the site will be further improved to enhance their appearance and traffic capacity.

The Agency has agreed to assemble a site of 34.5 acres for the shopping center. The status of land assembly is shown in the map on page 24. The total site is composed of 99 parcels in private and public ownership and certain interior street systems and minor easements. At the present time the city owns nine of these parcels which, in combination with abutting public rights of way and easements, comprise more than 50% of the total acreage to be assembled.

Currently there are 146 industrial or commercial and 12 residential tenants or owners (34 persons) within the site who must be relocated. The Agency has employed Port and Flor, Incorporated, Los Angeles, to provide relocation assistance, and Dougherty-Castellanos Associates, Santa Clara, for property acquisition services.

At such time as the Agency has acquired those parcels comprising the site for the Developer Parcel, the property will be transferred to the Developer. Within 30 days after conveyance of title, construction is required to commence. The Agreement (as presently proposed to be amended), provides that all construction must be completed within two years of commencement (completion is projected for March 1, 1980, which is the lien date for property that will appear on the 1980/81 tax rolls). It is expected, however, that the center will be completed by October 1, 1979, or five months prior to such lien date (with the possible exception of the third major department store).

Pursuant to a proposed amendment to the Disposition and Development Agreement (execution of which will be required before delivery of the Bonds), the Developer will agree to make an advance payment of \$2,000,000 for acquisition of a portion of the Developer Parcel when needed, but not prior to 90 days before the entire Developer Parcel is to be conveyed (among other conditions precedent). The \$3,500,000 balance of the acquisition price will be treated as pledged revenues for the 1977 Bonds and will be applied to redemption of an equivalent principal amount of such bonds if received by March 31, 1980 (the last date on which notice of such redemption may be given).

In addition to the mall building itself, the Developer will design and submit a bid for construction of the parking structure to serve the shopping center. It is anticipated that the parking structure will be financed through the issuance of Series B Lease Revenue bonds by the Agency. The Developer has agreed to construct the parking structure at a price not to exceed \$6,523,525 if construction is initiated by January 1, 1979. Thereafter, the construction cost may be adjusted by the Developer in accordance with monthly changes in the construction cost index published in the *Engineering News Record*. Competitive bids for construction of the parking structure must be obtained by the Agency, and any bid lower than the Developer's guaranteed price will result in award of the contract to such bidder. If the Developer is not the successful construction bidder, the Agency has agreed to pay the Developer not more than \$200,000 for design work.

## The Bond Projects

Net proceeds to be received from the sale of the 1977 Bonds and the Series A Parking Lease Revenue Bonds, being offered concurrently, will be used primarily to assemble and clear property comprising the Developer Parcel and Agency Parcel, respectively, pay relocation costs, meet required expenditures for public improvements (principally utility undergrounding and relocation, and perimeter street improvements), and to pay Agency administrative costs during development of the Project. Uses of net proceeds of the respective bond issues are presented in the two following tabulations, based on current Agency estimates.

### 1977 BONDS

#### Application of Net Proceeds

Property acquisition and acquisition expenses .....	\$ 9,302,000 <sup>①</sup>
Relocation costs and related expenses .....	1,220,000
Demolition and clearance .....	183,000
Public improvements .....	610,000
Administration and miscellaneous ...	200,000
Net Proceeds .....	<u>\$11,515,000</u>

<sup>①</sup> Based in part on appraisal by Berlinger I. Kidder, Palo Alto, California. Excludes \$2,000,000 advance payment by the Developer which will be applied to acquisition of property.





## **SERIES A PARKING LEASE REVENUE BONDS**

### **Application of Net Proceeds**

Property acquisition and acquisition expenses .....	\$7,133,000 <sup>①</sup>
Relocation costs and related expenses .....	780,000
Demolition and clearance .....	117,000
Public improvements .....	390,000
Administration and miscellaneous ...	100,000
Net Proceeds .....	<u>8,520,000</u>

<sup>①</sup> Based in part on appraisal by Berlinger I. Kidder, Palo Alto, California.

At present, it is not expected that any additional bonds will be issued on a parity with the 1977 Bonds by the Agency. Such additional bonds may be issued only under the conditions precedent specified in the Resolution of Issuance pertaining to the 1977 Bonds. However, it is anticipated that an additional series of Parking Lease Revenue Bonds will be issued within the next 24 months to finance the construction of the proposed 1,138-stall parking garage to serve the Sunnyvale TownCenter and adjacent property, and to retire or refund certain outstanding Parking District Bonds heretofore issued by the city. The principal amount of such Parking Lease Revenue Bonds is presently estimated at approximately \$10,000,000 (including capitalized interest, reserves, and costs of issuance), but the actual amount to be issued will be determined at the time the parking structure is to be constructed.

### **Environmental Considerations**

The Sunnyvale Central Core Redevelopment Project is subject to the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000 et seq.), and as such an Environmental Impact Report on the Redevelopment Project was prepared, a hearing was held in the City of Sunnyvale, and the final report was filed with the California Secretary of Resources on September 12, 1975 and certified by the City Council on November 18, 1975.

Although not legally required, a Supplemental Environmental Impact Report has been prepared concerning the actions now being taken by the Agency. A Negative Declaration was filed with the State Secretary of Resources on December 17, 1976.

### **The Developer**

As previously stated, the Developer consists of a partnership of Ernest W. Hahn, Inc., STC Prop-

erties Corp., and R. H. Macy & Co., Inc. The partnership, identified as Sunnyvale TownCenter Associates, is composed of a group that is well recognized as successful developers and operators of regional shopping centers, and as highly successful operators of retail department stores, respectively. The Hahn organization is one of the largest developers of regional shopping centers in the country, and is also a major contractor for the construction of such properties and other developments. Ernest W. Hahn, Inc. stated in its report for the fiscal year ended February 29, 1976, that it holds an equity interest in 15 operating regional shopping centers which it also manages. Another nine regional and specialty shopping centers are under construction, and 17 others were then in various planning stages. For the above-mentioned fiscal year, the firm reports "net cash from operations" of \$7,080,000, and net assets (stockholders' equity) of \$25,355,000 (copies of the most recent annual report may be obtained from Ernest W. Hahn, Inc., 2311 West El Segundo Boulevard, Hawthorne, California 90250—identified on the envelope and enclosed request as: "Request for Information Pertaining to Sunnyvale Central Core Redevelopment Project").

Ernest W. Hahn, Inc. has had extensive experience in the development and operation of major shopping centers in redevelopment projects in the State of California. These projects include: Fox Hills Mall, Culver City—a regional shopping center containing 927,000 square feet of gross leasable space which was opened in October of 1975; the Santa Maria TownCenter, Santa Maria—a two department store regional shopping center containing 442,000 square feet of leasable space, (the fully completed center was opened for business on July 1, 1976); the Hawthorne Plaza, Hawthorne—an 840,000 square-foot shopping center with three major department stores that opened on February 21, 1977, on schedule. In addition, the Hahn organization has entered into Disposition and Development Agreements or exclusive negotiating agreements for the construction of regional or sub-regional shopping centers in the cities of Pasadena, Redlands, Burbank, Fairfield, Long Beach, San Diego, Santa Monica and Santa Rosa, California (five of which are in redevelopment projects).

Ernest W. Hahn, Inc. received an award as "Outstanding Developer of the Year" in 1976, on the basis of a poll taken by *Shopping Center World* of department and chain stores. Specific determinants for the award included the demonstrated ability of

the Hahn organization to complete new shopping centers on schedule and to live up to other commitments to prospective tenants.

R. H. Macy & Co., Inc. is one of the nation's major corporations and most important retailers. This firm operates 75 stores under the Macy name in 10 states, and also operates other retail outlets (based on the annual report of R. H. Macy & Co., Inc. for the fiscal year ending July 31, 1976—copies of which may be obtained from the Executive Offices, 151 West 34 Street, New York, New York 10001). For the year ending July 31, 1976, R. H. Macy &

Co., Inc. reports net after tax earnings of more than \$42,970,000 and a stockholders' equity of more than \$348,800,000.

The Hahn and Macy organizations have been involved to a great extent in shopping center development, particularly in redevelopment project areas with respect to Ernest W. Hahn, Inc., and it is anticipated that the Project described in this official statement will be developed in a timely manner, and in accordance with the provisions of the Disposition and Development Agreement, as subsequently amended.

Sunnyvale has attracted a number of regional headquarters of banking and other financial institutions to the Project area.





# CITY ORGANIZATION, OPERATION, AND FINANCIAL DATA

*The Bonds are not a debt of the City of Sunnyvale and the following city financial data are included only for the purposes of providing general information.*

The City of Sunnyvale was incorporated as a general law city on December 24, 1912. On May 10, 1949 a freeholders charter was adopted which provided for the council-manager form of government. The city is governed by a seven-member City Council whose members are elected at large for four-year overlapping terms. The mayor is selected by the council from its members. Citizen boards and commissions required by the city charter include the Library Board, Parks and Recreation Commission, Planning Commission and Personnel Board. Other boards and committees are the Board of Building Code Appeals and the Central Business District Parking Advisory Committee.

Sunnyvale employs the council-manager form of government. A City Manager appointed by the

Council is responsible for implementing the policies of the Council. Mr. John E. Dever served in this capacity from 1967 through 1976, but assumed the position of City Manager with the City of Long Beach effective January 1, 1977. The Sunnyvale City Council retained Mr. Lee S. Ayres as City Manager and Executive Director of the Agency effective March 1, 1977, as previously discussed. The city has over 500 full-time employees.

## Assessed Valuations

The city's assessed valuation is established by the Santa Clara County Assessor's office, except that the assessed valuation of utility property is established by the State Board of Equalization. The 1976/77 Santa Clara County assessed valuations average approximately 26.5 percent of full value, according to the State Board. The valuation of utility property was established at 25 percent of full value. Assessment ratios for 1975/76, the previous fiscal year, were 24.7 percent and 25 percent for locally and state assessed property, respectively.

Under the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes became effective for the first time in the 1969/70 fiscal year. One of these currently exempts 50 percent of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for

## CITY OF SUNNYVALE

### Assessed Valuations

Assessment Roll	Net Assessed Valuation	Business Inventories and Homeowners' Exemptions	Assessed Valuation for Revenue Purposes
For 1976/77:			
Local Secured .....	\$403,900,289	\$38,031,967	\$441,932,256
Utility .....	16,082,570	—	16,082,570
Unsecured .....	95,233,100	24,571,270	119,804,370
Total .....	\$515,215,959	\$62,603,237	\$577,819,196
For Prior Years:			
1975/76 .....	\$455,124,351	\$60,637,866	\$515,762,217
1974/75 .....	393,516,142	55,048,924	448,565,066
1973/74 .....	351,743,698	44,238,725	395,982,423
1972/73 .....	350,093,540	19,745,220	369,838,760
1971/72 .....	324,923,420	18,290,790	343,214,210

the exemption. The revenue estimated to be lost to each taxing entity as a result of these exemptions is reimbursed in full to the taxing entity from state funds, without any deduction for delinquencies. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions. The preceding tabulation summarizes the city's 1976/77 assessed valuation by tax roll and presents total values for each of the previous five years, as reported by the County Director of Finance.

## Tax Rates

The city charter sets a tax rate limit of \$1.00 per \$100 taxable assessed valuation for general government purposes. This limit may be exceeded for a specified period of time if approved by two-thirds of the electorate. At present, the general purpose tax rate is 77½ cents per \$100 assessed valuation. A special levy, not to exceed the aggregate amount of \$0.35 per \$100 taxable assessed valuation, is permitted by the city charter for the following specific purposes: parks, recreation, city planning, libraries, advertising, and emergency care and relief of needy persons. All special levies not authorized by the electorate are subject to limitations contained in legislation adopted by the State legislature.

Property taxes for general obligation bond service may be levied without limit as to rate or amount. Provision is also made in the charter for other permissive levies to meet the costs of judgments against the city and obligations of the city to the State Employees' Retirement System.

Over the past decade, the city's total tax rate per \$100 taxable assessed valuation has ranged from a

high of \$1.370 in 1961/62 to a low of \$1.14 in 1976/77 (including a \$0.775 levy for general fund purposes).

There are 86 tax code areas in the city. In the current tax year, the tax rate for all property in these code areas ranges from \$9.290 to \$11.566 per \$100 assessed valuation. The tabulation below shows a breakdown of the 1976/77 tax rate applicable to the city's largest tax code area, 9-042, which has a taxable assessed valuation of \$109,641,213, or over 21 percent of the city's total taxable assessed valuation.

### CITY OF SUNNYVALE

#### Tax Code Area 9-042

#### Representative 1976/77 Tax Rate

Entity or Purpose	Tax Rate
County of Santa Clara .....	\$ 2.471
City of Sunnyvale .....	1.140
Education .....	6.484
Mid-Peninsula Regional Park District ..	.100
Santa Clara Valley Water .....	.127
El Camino Hospital District .....	.299
Bay Area Air Pollution Control District	.017
Rate, All Property .....	\$10.638
Land and Improvements only:	
Santa Clara Valley Water D Fund ...	.070
Santa Clara Valley Water D Zone W-4	.018
Flood Control—N. Central Bond ....	.047

Source: County Director of Finance.

Sunnyvale City Hall.





## Tax Collections and Delinquencies

Santa Clara County collects the city's property taxes in two installments which are due each November 1 and March 1. Unpaid installments become delinquent on December 10 and April 10 respec-

tively. As shown in the following summary, the relatively low ratios of tax delinquencies, averaging only 0.82 percent over the most recent five-year period, have resulted in nearly complete collection of the city's tax levy.

### City Assessed Valuations, Tax Rates, Levies and Delinquencies<sup>①</sup>

Fiscal Year	Assessed Valuation <sup>②</sup>	General City Tax Rate	General City Tax Levy <sup>③</sup>	Amount Delinquent June 30	Percent Delinquent June 30	Total Collections June 30 <sup>④</sup>	Total Percent Collected
1971/72 .....	\$324,923,420	\$1.31	\$4,226,946	\$31,084	0.73%	\$4,277,575	100.25%
1972/73 .....	350,093,540	1.31	4,570,907	48,072	1.05	4,559,973	99.76
1973/74 .....	351,743,698	1.31	4,613,945	30,771	.67	4,636,931	100.50
1974/75 .....	393,516,142	1.31	5,222,762	46,530	.89	5,206,356	99.69
1975/76 .....	455,124,351	1.18	5,547,206	41,747	.75	5,530,139	99.69

① Based on 1971/72-1975/76 City Annual Financial Reports.

② Net taxable assessed valuation.

③ Excludes state-reimbursed exemptions.

④ Includes redemptions for prior years.

## Largest Taxpayers

The city's largest taxpayers, with the amount of secured taxes payable to all taxing entities during the current tax year, are listed below.

### CITY OF SUNNYVALE

#### Largest Taxpayers—1976/77

Company	Business	Total Secured Taxes
Pacific Telephone Co.	Utility	\$13,342,027
Pacific Gas and Electric Co.	Utility	7,026,134
Hewlett-Packard Co.	Electronics Manufacturer	2,811,063
Lockheed Missiles and Space Co.	Missiles, Research and Development	2,734,552
Prudential Insurance Co.	Real Estate Developer	1,036,192
National Semiconductor	Electronics Manufacturer	918,307
Western California Telephone Co.	Utility	855,866
Signetics Corporation	Electronics Manufacturer	769,395
Southern Pacific Transportation Co.	Transportation	733,447
Westinghouse Electric Corp.	Marine Products	532,386
California Cannery and Growers	Food Packing	461,431
Libby McNeil & Libby	Food Packing	380,108

Source: County Department of Finance.

## Revenues, Expenditures and Fund Balances

The city uses the accrual basis of accounting for all enterprise and intragovernmental service funds. The modified accrual basis of accounting is utilized for the General Fund, special revenue funds, and Parking District Fund. A planning, programming, budgeting system (the "PPB System") was adopted and put into effect by the city as of July 1, 1968. The PPB System is designed to relate effort to impact in a way that assists policy development. Each program in the Resource Allocation Plan (Budget), for example, shows actual costs for four previous years, the proposed cost for the coming year, and the projected cost for the next seven years. Each program also has an over-all objective, quality goal (effectiveness measures), production work (work program), production units, unit costs and total costs. Graphs depict productivity and cost trends over 12 years.

A summary of city revenues and expenditures (excluding intra-governmental and special assessment funds) for the most recent five-year period and budgeted revenues and expenditures for 1976/77 are presented on page 31. A consolidated statement of fund balances for all city funds as of June 30, 1976 is shown below. Additional information pertaining to historical and budgeted financial data is on file with the City of Sunnyvale, and copies of the Annual Financial Reports and 1976/77 Resource Allocation Plan (Budget) may be requested by any interested party.

Unappropriated cash balances for all city operating funds subject to PPB System procedures at June 30, 1976 totaled \$1,843,126, compared with \$1,867,840 at June 30, 1975.

## Pension Plan

All regular city employees are enrolled in the State of California Public Employees' Retirement System. Public safety employees are under the 2%—age 50 plan, while miscellaneous employees are under the 2%—age 60 plan. The city makes a bi-weekly payment to the state covering its current and prior service costs. During the 1975/76 fiscal year, the city contributed \$1,212,860 to the state plan.

The city has an unrecorded liability for miscellaneous employees' prior service, the cost being presently liquidated at the annual rate of 4% of members' salaries, with full liquidation on June 30, 2000. For public safety employees, the unrecorded prior service liability is being liquidated at 1.453% of members' salaries to June 30, 1977. The excess, if any, of the actuarially computed value of vested benefits over the pension fund total and accruals is not available.

## California Public Employees Retirement System (PERS)

The State of California Public Employees' Retirement System was originally established in 1931. The System is governed by an eleven member Board of

### CITY OF SUNNYVALE

#### Statement of Fund Balances

#### Year Ended June 30, 1976

Name of Fund	Balances As of June 30	Amount Committed	Amount Unappropriated
General Fund .....	\$ 8,361,572	\$ 7,885,395	\$ 476,177
Parking District Fund .....	2,033,188	2,031,100	2,088
Special Revenue Funds .....	987,523	987,523	—
Enterprise Funds .....	16,772,257	15,407,396	1,364,861
Totals .....	\$28,154,540	\$26,311,414	\$1,843,126
Intra-Governmental Service Funds .....	2,043,618	1,775,721	267,897
Special Assessment District Funds .....	53,471	53,471	—

Source: City Annual Financial Report for the 1975/76 fiscal year.



Administration. Administrative functions are carried out under the direction of an Executive Officer with a current staff of approximately 475. As of June 30, 1975, there were 535,786 members of which approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33% of the members are state personnel and the balance (67%) are local government personnel. As of June 30, 1975, the System provided retirement, death and survivor benefits under 901 contracts for about 1,900 public agency employers (cities, counties, and other public agencies) with 356,517 members. The System's funding is by employer and employee contributions together with investment income.

## CITY OF SUNNYVALE

### Summary of Revenues and Expenditures

#### All Funds (Excluding Intra-governmental and Special Assessment Funds)

	1971/72	1972/73	1973/74	1974/75	1975/76	Estimated 1976/77
<b>Revenues</b>						
Property taxes .....	\$ 4,676,798	\$ 4,978,980	\$ 5,069,709	\$ 5,620,002	\$ 5,983,265	\$ 6,364,720
Sales taxes .....	2,086,005	2,332,302	2,962,657	3,346,666	3,841,758	4,035,412
Utility users tax .....	244,246	258,474	292,338	391,074	780,804	861,165
Other taxes .....	384,588	450,419	508,000	448,609	867,202	731,840
Licenses and permits ..	234,475	197,030	238,441	201,944	235,773	211,656
Intergovernmental—						
Federal .....	51,800	1,204,092	1,270,551	1,258,520	4,490,365	8,908,876
Intergovernmental—						
State .....	2,420,332	2,565,766	3,103,144	3,327,300	3,995,792	4,445,030
Intergovernmental—						
Other .....	131,921	251,622	207,077	158,879	53,445	166,175
Charges for services ..	8,909,623	7,292,155	8,235,204	9,308,653	11,029,469	10,203,338
Fines and forfeitures ..	222,074	259,276	221,161	215,162	200,715	207,912
Other revenues .....	670,850	1,040,669	934,323	1,073,055	1,108,141	746,364
Cash balances on hand	①	①	①	①	①	9,278,790
Total revenues② .	\$20,032,712	\$20,830,785	\$23,042,605	\$25,349,864	\$32,586,729	\$46,161,278
<b>Operating Expenditures</b>						
Protective services ....	\$ 3,753,581	\$ 4,338,614	\$ 4,647,331	\$ 5,413,380	\$ 6,512,976	\$ 7,662,250
Environmental services	5,955,414	6,366,162	7,048,707	7,601,206	8,803,552	10,637,940
Community and cultural services .....	1,376,606	1,576,999	1,966,524	2,186,769	3,816,216	4,562,963
Support services .....	821,747	873,505	981,832	1,109,192	1,131,083	1,406,961
Legislative and legal services .....	191,416	210,930	212,130	223,660	255,695	283,097
Subtotal .....	\$12,098,764	\$13,366,210	\$14,856,524	\$16,534,207	\$20,519,522	\$24,553,211
Debt service .....	2,776,058	2,758,121	2,757,094	2,854,199	2,919,264	2,880,567
Projects and capital outlay	4,845,989	3,336,871	5,142,275	5,515,376	7,732,695	11,991,112
Total expenditures	\$19,720,811	\$19,461,202	\$22,755,893	\$24,903,782	\$31,171,481	\$39,424,890

① Not applicable in years so indicated.

② 1973/74 bond proceeds of \$2,450,000 excluded.

Note: This Summary of Revenues and Expenditures was prepared by Stone & Youngberg Municipal Financing Consultants, Inc. especially for this official statement on the basis of data contained in City Annual Financial Reports for the indicated years, and the City Resource Allocation Plan (Budget) for the fiscal year 1976/77.

Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of California for the 1974 and 1975 fiscal years, as reported by the State Controller was \$162,649,578 and \$231,057,854, respectively.

The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years by an independent actuary. Benefit Technology of Santa Clara, California is presently retained in this capacity, and is expected to review the actuarial status of the System in 1977.

At June 30, 1975 (latest information available), PERS had an accrued actuarial liability of \$12,689,816,069 and net assets available for benefits amounting to \$6,966,356,482, according to the auditors. Comparable figures at June 30, 1974 were \$11,112,165,166 and \$6,204,166,779, respectively. The June 30, 1975 unfunded obligation of \$5,723,459,587 does not take into account the provisions of Chapter 187, Statutes of 1975 (Amended Section 20741 of the California Government Code, and repealed Sections 20750.88 and 20750.91 of said Code), which called for a new increased contribution rate by the state with respect to state miscellaneous members.

The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return, and salary scales. Present System policy is designed to satisfy the unfunded obligation by the year 2000. Further information is available from Public Employees Retirement System, P.O. Box 1953, Sacramento, California 95809.

## **Outstanding Bonded Debt**

As of the date of this official statement, the City of Sunnyvale has a total outstanding general obligation bonded indebtedness of \$11,315,500, consisting of 16 separate issues, the proceeds of which were used to finance various municipal improvements and public facilities. These bonds were issued at various times between 1941 and 1971, and the last issue will be fully retired in 1988. A schedule of

general obligation bonds payable as of June 30, 1976 is presented in Table 2 on page 34, while a schedule of future aggregate annual general obligation bond debt service payments is included in Table 3 on page 35.

Other bonded indebtedness incurred by, on behalf of, or in the name of the City of Sunnyvale amounted to an aggregate sum of \$14,289,657 as of the date of this official statement. Of this amount, \$5,779,657 is represented by special assessment bonds, which are not a debt of the city, and the remaining \$8,510,000 principal amount of such additional indebtedness is composed of revenue bonds or special obligations as follows: (1) Revenue bonds paid solely from the income of the facility financed with bond proceeds; (2) so-called "Plan E" bonds paid from general city revenues and from water and sewer revenues; and (3) parking district bonds paid from the proceeds of a special tax levied against all property within the benefiting area of the parking district (which includes a portion of the Project area). The outstanding parking district bonds may be refunded within the next 24 months from proceeds of proposed Series B Lease Revenue Bonds of the Agency, as previously discussed. Special assessment bonds issued under the provisions of the Improvement Bond Act of 1915 constitute a contingent obligation of the city to levy an additional tax of up to 10 cents per \$100 assessed valuation throughout the entire city in the event that delinquent assessment payments, if any, are not offset from repayment of such delinquencies, applications of city-held debt service reserves, or foreclosure and sale of such delinquent property at public sale. Future annual debt service requirements for all such indebtedness is presented in Table 3, and a five-year history of all city debt outstanding as of the close of the respective fiscal years is shown in Table 2.

A statement of direct and overlapping tax-supported bonded indebtedness of the City of Sunnyvale as of April 12, 1977 is presented in Table 4, on page 36. The legal debt margin of the city, as of June 30, 1976, based on the provisions of Section 1308 of the Sunnyvale City Charter, is summarized in the tabulation on the next page.

The Director of Finance of the City of Sunnyvale reports that the city has never defaulted in the payment of interest or principal on general obligation or revenue bonded indebtedness, and has never issued any refunding bonds to either avoid or cure a default.



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**CITY OF SUNNYVALE****Schedule of Legal Debt Margin****June 30, 1976**

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Total Assessed Value (Before all exemptions) .....		\$518,177,540
Debt limit—15% of total assessed value .....		<u>\$ 77,726,631<sup>①</sup></u>
Amount of debt applicable to debt limit:		
Total bonded debt .....		\$ 27,915,881
Less: Assets in debt service reserve .....	\$ 258,168 <sup>②</sup>	
Other deductions allowed by law:		
Special assessment bonds .....	6,385,381	
Revenue bonds .....	5,385,000	
Parking district bonds .....	2,455,000	
Plan "E" other than parking bonds .....	<u>1,030,000</u>	<u>\$ 15,513,549</u>
Total amount applicable to debt limit .....		<u>\$ 12,402,332</u>
Legal Debt Margin .....		<u>\$ 65,324,299</u>

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① Section 1308 of the City Charter of the City of Sunnyvale states: "The bonded indebtedness of the City may not in the aggregate exceed the sum of fifteen percent (15%) of the total assessed valuation of the property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending, or maintaining municipally owned utilities, for which purposes a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the State Constitution and of this Charter."

② Principal only applicable to general bonded debt.

Source: City Annual Financial Report, June 30, 1976.

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Table 2

## CITY OF SUNNYVALE

## Outstanding Bonded and Other Debt

## Source of Support

Fiscal Years 1971/72-1975/76

June 30	Supported by	Bonded Debt <sup>(1)</sup>				Other Long-Term Debt <sup>(2)</sup>	Total Debt
		General Obligation	Plan "E" Other Than Parking	Revenue	Parking District	Total	
1972	General city revenues .....	\$14,302,278.50	\$ 400,000.00	\$ —	\$ —	\$14,702,278.50	\$14,702,278.50
	Parking district revenues .....	—	—	—	2,800,000.00	2,800,000.00	2,841,273.93
	Water revenues .....	1,251,845.00	540,000.00	380,000.00	—	2,171,845.00	2,171,845.00
	Sewer revenues .....	1,807,255.00	540,000.00	3,125,000.00	—	5,472,255.00	5,472,255.00
	Golf revenues .....	894,121.50	—	—	—	894,121.50	894,121.50
	Outstanding debt June 30, 1972 ..	\$18,255,500.00	\$1,480,000.00	\$3,505,000.00	\$2,800,000.00	\$26,040,500.00	\$26,081,773.93
1973	General city revenues .....	\$13,226,921.50	\$ 320,000.00	\$ —	\$ —	\$13,546,921.50	\$13,546,921.50
	Parking district revenues .....	—	—	—	2,715,000.00	2,715,000.00	2,755,911.68
	Water revenues .....	1,202,495.00	515,000.00	360,000.00	—	2,077,495.00	2,077,495.00
	Sewer revenues .....	1,641,685.00	515,000.00	3,035,000.00	—	5,191,685.00	5,191,685.00
	Golf revenues .....	856,898.50	—	—	—	856,898.50	856,898.50
	Outstanding debt June 30, 1973 ..	\$16,928,000.00	\$1,350,000.00	\$3,395,000.00	\$2,715,000.00	\$24,388,000.00	\$24,428,911.68
1974	General city revenues .....	\$12,100,958.50	\$ 240,000.00	\$ —	\$ —	\$12,340,958.50	\$12,340,958.50
	Parking district revenues .....	—	—	—	2,630,000.00	2,630,000.00	2,670,523.20
	Water revenues .....	1,153,145.00	490,000.00	340,000.00	—	1,983,145.00	1,983,145.00
	Sewer revenues .....	1,476,115.00	490,000.00	2,935,000.00	—	4,901,115.00	4,901,115.00
	Golf revenues .....	815,281.50	—	2,450,000.00	—	3,265,281.50	3,265,281.50
	Outstanding debt June 30, 1974 ..	\$15,545,500.00	\$1,220,000.00	\$5,725,000.00	\$2,630,000.00	\$25,120,500.00	\$25,161,023.20
1975	General city revenues .....	\$10,969,995.50	\$ 200,000.00	\$ —	\$ —	\$11,169,995.50	\$11,169,995.50
	Parking district revenues .....	—	—	—	2,545,000.00	2,545,000.00	2,585,106.70
	Water revenues .....	1,103,795.00	465,000.00	320,000.00	—	1,888,795.00	1,888,795.00
	Sewer revenues .....	1,310,545.00	465,000.00	2,830,000.00	—	4,605,545.00	4,605,545.00
	Golf revenues .....	773,664.50	—	2,410,000.00	—	3,183,664.50	3,183,664.50
	Outstanding debt June 30, 1975 ..	\$14,158,000.00	\$1,130,000.00	\$5,560,000.00	\$2,545,000.00	\$23,393,000.00	\$23,433,106.70
1976	General city revenues .....	\$ 9,766,481.50	\$ 160,000.00	\$ —	\$ —	\$ 9,926,481.50	\$ 9,926,481.50
	Parking district revenues .....	—	—	—	2,455,000.00	2,455,000.00	2,494,660.03
	Water revenues .....	1,037,995.00	435,000.00	300,000.00	—	1,772,995.00	1,772,995.00
	Sewer revenues .....	1,131,775.00	435,000.00	2,720,000.00	—	4,286,775.00	4,286,775.00
	Golf revenues .....	724,248.50	—	2,365,000.00	—	3,089,248.50	3,089,248.50
	Outstanding debt June 30, 1976 ..	\$12,660,500.00	\$1,030,000.00	\$5,385,000.00	\$2,455,000.00	\$21,530,500.00	\$21,570,160.03

<sup>(1)</sup> Does not include fixed lien assessment bonds.<sup>(2)</sup> Miscellaneous contractual payments.

Source: City Annual Financial Report, June 30, 1976.



**Table 3**  
**CITY OF SUNNYVALE**  
**All Bonds**

**Summary of Debt Service Requirements to Maturity—As of June 30, 1976**

Fiscal Year Ended June 30	Special Assessment Bonds <sup>①</sup>	Revenue Bonds	Parking District Bonds	Plan "E" Other Than Parking Bonds	General Obligation Bonds	Total
1977	\$ 855,394.85	\$ 528,900.00	\$ 206,705.00	\$ 149,801.00	\$ 1,991,921.25	\$ 3,732,722.10
1978	846,774.77	526,300.00	202,637.50	125,097.00	1,857,252.50	3,558,061.77
1979	832,855.11	528,000.00	213,260.00	130,930.50	1,690,220.00	3,395,265.61
1980	813,422.69	528,543.75	218,285.00	126,501.50	1,486,710.00	3,173,462.94
1981	773,437.02	528,281.25	212,966.25	122,072.50	1,377,267.50	3,014,024.52
1982	643,216.50	527,448.75	212,491.25	127,381.00	1,324,605.00	2,835,142.50
1983	615,624.75	530,320.00	216,731.25	122,427.00	1,243,642.50	2,728,745.50
1984	500,020.25	531,875.00	210,773.75	107,587.50	1,071,695.00	2,421,951.50
1985	505,635.75	532,088.75	204,816.25	102,862.50	1,035,391.25	2,380,794.50
1986	491,903.75	532,006.25	182,577.50	107,875.00	1,063,231.25	2,377,593.75
1987	489,094.25	531,988.75	146,910.00	102,625.00	666,205.00	1,936,823.00
1988	480,141.00	501,412.50	146,663.75	—	284,477.50	1,412,694.75
1989	359,152.50	499,870.00	146,155.00	—	271,492.50	1,276,670.00
1990	344,335.00	504,457.00	111,336.25	—	—	960,128.25
1991	260,883.75	199,760.00	107,718.75	—	—	568,362.50
1992	41,250.00	197,430.00	70,400.00	—	—	309,080.00
1993	—	199,840.00	73,950.00	—	—	273,790.00
1994	—	201,580.00	72,450.00	—	—	274,030.00
1995	—	197,600.00	70,950.00	—	—	268,550.00
1996	—	198,322.50	69,450.00	—	—	267,772.50
1997	—	560,175.00	72,900.00	—	—	633,075.00
1998	—	—	71,300.00	—	—	71,300.00
1999	—	—	69,700.00	—	—	69,700.00
2000	—	—	73,050.00	—	—	73,050.00
2001	—	—	71,350.00	—	—	71,350.00
2002	—	—	74,600.00	—	—	74,600.00
2003	—	—	72,800.00	—	—	72,800.00
2004	—	—	75,950.00	—	—	75,950.00
<b>TOTAL</b>	<b>\$8,853,141.94</b>	<b>\$9,086,199.50</b>	<b>\$3,678,877.50</b>	<b>\$1,325,160.50</b>	<b>\$15,364,111.25</b>	<b>\$38,307,490.69</b>

① Not a debt of the city. Assessment bonds represent liens against property, and are paid from annual assessments. The city may have a limited, contingent liability in the event of default in payment by property owners, as discussed on page 32 hereof.

Source: City Annual Financial Report, June 30, 1976.

**Table 4**  
**CITY OF SUNNYVALE**  
**Statement of Direct and Estimated Overlapping Bonded Debt**

Population (1/1/76) .....	103,500 <sup>①</sup>	
1976/77 Assessed Valuation .....	\$ 577,819,196	
Estimated Market Value .....	\$2,184,000,000 <sup>②</sup>	

Entity	Percent Applicable	Debt Applicable April 12, 1977 <sup>③</sup>
Santa Clara County and County Authorities .....	10.242%	\$ 9,856,616
Santa Clara County Flood Control District NC-1 .....	28.903	2,929,319
Santa Clara County Flood Control District NW-1 .....	2.609	55,807
Santa Clara County Flood Control District W-1 .....	10.750	4,267,213
Santa Clara County Water Conservation District .....	11.533	89,727
Foothill Community College District .....	25.037-25.153	3,775,483
Cupertino Union School District (various issues) .....	17.130-19.971	1,394,884
Jefferson Union School District (various issues) .....	19.543-21.066	305,578
Los Altos School District .....	.373- .647	5,189
Mountain View School District .....	14.586-29.948	225,612
Sunnyvale School District .....	99.052-99.357	3,792,123
Alviso School District .....	.231	263
Fremont Union High School District .....	45.935-51.456	5,568,003
Mountain View Union High School District .....	6.054-10.322	124,632
Santa Clara Union High School District .....	13.452-15.446	877,306
Santa Clara Unified School District .....	13.920	176,896
City of Sunnyvale .....	100.	11,315,500
City Parking Districts .....	100.	2,365,000
City Plan E Water, Sewer and Drainage .....	100.	950,000
Cupertino Sanitary District .....	5.468	65,069
El Camino Hospital District .....	39.432-39.724	1,169,580
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT .....		\$49,309,800
Less: Santa Clara Co. Water Conservation District (100% self-supporting) .....		89,727
Santa Clara Co. Flood Control District (100% self-supporting) .....		4,267,213
City water and sewer bonds (100% self-supporting) .....		1,973,720
City Plan E Bonds (100% self-supporting) .....		950,000
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT .....		\$42,029,140

	Ratio to		
	1976/77 Assessed Valuation	Estimated Market Value	Per Capita
1976/77 Assessed Valuation .....	100. %	②	\$5,583
Gross Total Debt .....	8.53	2.26%	476
Net Total Debt .....	7.27	1.92	406
Gross Direct Debt .....	2.53	.67	141
Net Direct Debt .....	2.03	.54	113

① Source: State Department of Finance as of January 1, 1976.

② Based on assessment ratios discussed on page 27 of this official statement.

③ Excludes revenue bonds, 1915 Act Assessment Bonds (\$5,779,657), The 1977 Bonds now being offered by the Agency (\$16,800,000), and Series A Parking Lease Revenue Bonds being offered concurrently by the Agency (\$11,200,000).

City's Share of Authorized and Unsold Bonds:	City's Share of State School Building Aid Repay-	
City of Sunnyvale .....	able as of June 30, 1976:	
Cupertino Union School District ..	\$850,000	\$8,037,983
Mountain View School District ....	553,299	
	369,755	



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# THE CITY AND ITS ECONOMY

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The City of Sunnyvale is located in the northwest portion of Santa Clara County, approximately 40 miles south of San Francisco and 360 miles north of Los Angeles. City limits encompass about 24 square miles. The city's present population is in excess of 103,000.

Initially the city's development was tied closely to the agriculturally-oriented economy of Santa Clara County. The city's economic base is now very diversified as a broad cross-section of new industrial facilities have located in and expanded the city's several planned industrial parks.

Sunnyvale's economic growth has closely paralleled that of Santa Clara County, the San Francisco Bay Area's foremost manufacturing center. Wages paid to manufacturing employees in Santa Clara County exceeded \$2 billion during 1974, according to the California Employment Development Department. The County has attracted a wide spectrum of manufacturing industries in the aerospace, electrical machinery, food products, container, and research and development industries.

Excellent transportation facilities link Sunnyvale and Santa Clara County to other industrial, commercial, and distribution centers in the Bay Area, state, and far west regions. San Francisco International Airport, San Jose Municipal Airport, and Oakland International Airport are all conveniently accessible to the city, as are the ports of San Francisco, Oakland, and Redwood City.

The San Francisco-Oakland Bay Area is the financial and commercial center of the far west. The headquarters of the Twelfth Federal Reserve District and four of the nation's largest banks are located in San Francisco. The Bay Area also serves as the international, or regional headquarters for major corporations in the petroleum, agricultural, paper, insurance, manufacturing, transportation, retailing, and utility industries. The headquarters of 25 of the largest corporations in the United States, including five of the largest transportation companies and two of the largest utilities, are located in the Bay Area.

Although still closely tied to the San Francisco-Oakland commercial and industrial complex, the San Jose Metropolitan Area (Santa Clara County) is rapidly developing its own distinct regional economy at the southern end of San Francisco Bay. Sunnyvale, located between Palo Alto and San Jose, is favorably situated to participate in this regional growth.

## Population, Housing, and Income

The city's estimated population at January 1, 1976 was 103,500, a gain of 7,524 from the 1970 Federal census. This modest increase contrasts sharply with the high rates of population growth in the fifties and sixties. During that period Sunnyvale's growth was considerably greater than the county's, as shown in the tabulation below.

In the future, it is anticipated that Sunnyvale's rate of population gain will be lower than that of Santa Clara County. Future growth of the city is expected to involve the annexation of relatively small unincorporated areas that border the city. As residentially-zoned land is developed, the growth rate of the city's population is expected to be moderate.

The 1970 Census of Housing reported 31,498 housing units in the city. Sixty percent were single family dwellings, with a median owner-occupied

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## CITY AND COUNTY POPULATION

Year	City of Sunnyvale	Percent Change	Santa Clara County	Percent Change
1950 .....	9,829	—	290,549	—
1960 .....	52,898	438.2%	642,315	121.1%
1970 .....	95,976	81.4	1,065,313	65.9
1976 .....	103,500	7.8	1,178,000	10.6

Sources: 1950-70: U.S. Census Bureau; 1976: State Department of Finance.

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value of \$29,200 (compared with a county median of \$27,300). Since 1970 approximately 7,800 housing units have been built in the city. Over 70 percent of this new residential construction consisted of multi-family units. In the January-September 1976 period, the average permit value for new multiple units in Sunnyvale was \$18,188, compared with a county average permit value of \$18,809.

Residents of Sunnyvale have relatively high incomes. The 1976 Survey of Buying Power (Sales Management) reports that the median household effective buying income was \$17,765 in 1975, compared with \$16,804 in the San Jose Metropolitan Area (Santa Clara County), which ranks seventh highest among all metropolitan counties in the nation for this economic indicator. Over 62 percent of all Sunnyvale households had an effective buying income of \$15,000 or more in 1975, according to the Survey of Buying Power.

## Employment and Industry

Economic growth in Sunnyvale and Santa Clara County has been stimulated by the steady expansion of employment opportunities. From 1971 through 1975, the number of employed county residents increased from 431,000 to 525,000, an average annual growth of more than 23,000 employed persons.

During the same period, nonagricultural wage and salary jobs in the county expanded from 378,900 to 469,100, with manufacturing accounting for more than one-third of the increased employment level. Santa Clara County now ranks as the Bay Region's leading industrial center. The county has more than 40 industrial plants each with over 500 employees.

Growth of employment has been greatest in the electrical equipment, electronics and machinery categories. Among the larger firms are Lockheed Missiles and Space Company, Fairchild Camera and Instrument Corporation, Western Electric Company, Hewlett-Packard Company, General Electric Company, Signetics Corporation, Westinghouse Electric Corporation, Raytheon Company, FMC Corporation, and Varian Associates.

The county's industrial base is balanced by a broad spectrum of other industries which are related to general business, research and development, and agriculture. Major employers in these sectors include International Business Machines Corporation, FMC Corporation, Ford Motor Company, Eastman Kodak Company, Kaiser Cement and Gypsum Corporation, International Paper Company, Owens-Corning Fiberglas Corporation, Stauffer Chemicals, San Jose Steel Corporation, and Owens-Illinois Corporation.

As of September 1976 total civilian employment in Santa Clara County was 561,600, compared with 541,200 the previous September, according to the State Department of Employment Development.

The seasonally adjusted unemployment rate of 8% compared with a rate of 9.8% in September 1975. The unadjusted unemployment rate this September was 6.8%, a substantial drop from the 8.3% of September 1975.

The following tabulations summarize civilian labor force and employment data for the past five years, and present annual employment activity by industrial classification.



Public Safety Headquarters adjoining City Hall. Public Safety officers are trained and serve interchangeably in police and fire protection functions.



**SANTA CLARA COUNTY****Civilian Labor Force, Employment, and Unemployment<sup>①</sup> (In Thousands)**

	1971	1972	1973	1974	1975
Labor Force .....	465.0	505.0	544.0	561.0	578.0
Employment .....	432.0	465.0	513.0	528.0	525.0
Unemployment .....	34.0	40.0	31.0	33.0	53.0
Unemployment Rate .....	7.3%	7.9%	5.7%	5.9%	9.2%

① Based on residence.

Source: County Planning Department

**SANTA CLARA COUNTY****Average Annual Employment<sup>①</sup> (In Thousands)**

Industry	1971	1972	1973	1974	1975
Total Nonagricultural Wage and Salary Workers ....	378.9	405.0	442.3	469.6	469.1
Manufacturing .....	117.4	124.5	144.1	158.9	151.6
Durable Goods .....	92.8	99.9	118.5	132.6	126.1
Stone, Clay, Glass .....	2.7	2.8	2.8	3.1	2.9
Fabricated Metals .....	3.0	3.0	3.3	3.5	3.7
Nonelectrical Machinery .....	16.4	17.4	21.2	25.3	24.4
Ordnance .....	19.0	18.8	18.8	20.0	21.7
Electrical Equipment and Supplies .....	43.2	48.9	62.0	68.4	63.0
Instruments .....	2.3	2.5	3.3	3.7	3.6
Transportation Equipment .....	3.9	4.2	4.4	5.4	3.7
Other Durables .....	2.3	2.3	2.7	3.2	3.1
Nondurables .....	24.6	24.6	25.6	26.3	25.5
Food and Kindred Products .....	13.8	13.3	14.0	14.4	14.3
Canning and Preserving .....	8.8	8.4	9.0	9.4	9.3
Other Foods .....	5.0	4.9	5.0	5.0	5.0
Paper, Printing and Publishing .....	6.8	7.3	7.1	7.0	6.6
Other Nondurables .....	4.0	4.0	4.5	4.9	4.6
Nonmanufacturing .....	261.5	280.5	298.2	310.7	317.5
Mining .....	0.1	0.1	0.1	0.1	0.1
Construction .....	18.5	19.3	20.3	19.9	17.9
Transp. Comm. and Utilities .....	17.5	18.2	18.7	19.0	18.8
Trade .....	74.2	79.8	84.9	88.8	91.2
Wholesale .....	15.5	16.5	18.4	19.3	19.9
Retail .....	58.7	63.3	66.5	69.5	71.3
Finance, Insurance, Real Estate .....	14.0	15.8	17.1	17.9	18.2
Services .....	75.6	82.2	89.8	94.0	96.5
Government .....	61.6	65.1	67.3	71.0	74.8
Federal .....	9.4	9.5	9.3	9.4	9.4
State and Local .....	52.2	55.6	58.0	61.6	65.4
City .....	7.2	7.5	8.1	8.5	8.9
County .....	8.2	8.9	9.4	10.0	10.6
Other State Local .....	37.0	39.2	40.5	43.1	45.9
Agriculture .....	6.8	5.9	6.2	6.1	5.6

① Based on place of work.

Sources: County Planning Department and State Department of Employment Development.

Santa Clara County's 1,800 manufacturing plants represent slightly more than one-fourth of all industrial plants in the nine counties fronting on San Francisco Bay. However, these plants account for over 40 percent of all industrial workers and payrolls in the nine counties, as shown in the tabulation below.

The growth and nature of employment in Sunnyvale has tended to parallel that of Santa Clara County. As in the case of the county, manufacturing and services are major employment categories. Within the city there are over 200 manufacturing firms employing more than 30,000 persons. The leading manufacturing activities include electronics; electrical equipment; food processing; containers; and chemical, pharmaceutical, and paper products.

Lockheed Missiles and Space Company, the largest single employer in Santa Clara County, presently employs approximately 16,000 persons at its Sunnyvale facilities. The Lockheed complex represents a diversity of research and production facilities. The company has developed and is producing some of the nation's most vital systems for research and national defense—the Agena Satellite and the Polaris/Poseidon ballistic missiles. It is currently developing the Trident missile system as the successor to the Poseidon, and the SEASAT ocean survey satellite.

The Marine Division of Westinghouse Electric Corporation is Sunnyvale's second largest employer. The Division employs approximately 2,100 in fa-

cilities covering more than 1,300,000 square feet. These facilities serve commercial and military clientele as a complete production entity with capability ranging from the design to the complete manufacture of marine propulsion systems. Major commercial shipping firms which have installed the Division's propulsion systems include American President Lines, Prudential-Grace Lines, Pacific Far East Line, and Lykes Brothers. Marine propulsion systems manufactured by the Division are also used on United States Navy aircraft carriers, missile cruisers and destroyers, nuclear submarines and guided missile escort ships.

The Pacific Region Headquarters of Western Electric Company, Inc. is located in Sunnyvale. With a payroll of 1,900, the Sunnyvale facility serves as the company's administrative and engineering center for the western area. Complete engineering work is done for the manufacture and installation of telephone equipment for the American Telephone and Telegraph Company and subsidiaries: Pacific Telephone and Telegraph Co., Pacific Northwest Bell Telephone Co., Bell Telephone Company of Nevada, and the Longlines Department of the American Telephone and Telegraph Company.

Signetics Corporation, with worldwide employment of 5,600 and 1,900 at its Sunnyvale operations, produces integrated solid state microcircuits in local plants.

In recent years a growing number of firms engaged in scientific research and development, infor-

## SAN FRANCISCO BAY COUNTIES

### Manufacturing Employment

#### First Quarter 1975

County	Reporting Units	Quarterly Wages	No. Employees March 1975
Alameda .....	1,629	\$ 253,984,763	76,391
Contra Costa .....	419	87,967,719	25,444
Marin .....	204	7,784,800	3,143
Napa .....	86	12,979,377	4,469
San Francisco .....	1,373	157,992,933	47,008
San Mateo .....	795	95,439,838	29,699
SANTA CLARA .....	1,800	507,398,494	147,058
Solano .....	103	11,486,024	3,455
Sonoma .....	293	21,608,323	8,195
Totals .....	6,702	\$1,156,642,271	344,862

Source: "California Employment and Payrolls" State Department of Employment Development.



mation technology, electronic data processing, and the communications industries have located in Sunnyvale. Representative firms within these industries which maintain important operations in Sunnyvale include: Applied Technology, Inc., Division of Itek Corporation; Control Data Corporation; Chemical Systems Division of United Technologies, Inc.; Ampex Corporation; Nuclear Energy Division, General Electric Company; and ESL Incorporated, a producer of military electronics. A list of firms in Sunnyvale that have 100 or more employees appears on page 42.

It is anticipated that future industrial development in Sunnyvale will continue at a steady pace. Nearly 40 percent of the city's area is planned for industrial purposes. Within the city, suitable parcels of land for industrial purposes are available in a number of planned industrial parks, all of which are served by city water and sewer services, electrical and gas utilities, fire protection, and rail-highway facilities. There are 3,940 acres in the city limits zoned for all types of industry.

Major non-manufacturing employers in the city are Pacific Telephone Company, which employs 400 at its district communication headquarters, and the USAF Satellite Test and Tracking Center employing 300 at its National Satellite Control Center. Two major Federal installations in nearby Mountain View—NASA's Ames Research Center and the U.S. Naval Air Station at Moffett Field—maintain close ties with electronics and communications firms in Sunnyvale. Combined employment at these two Federal facilities is approximately 2,950 persons.

## Industrial Parks

There are four major industrial parks or districts in the city. The most active and rapidly growing of these at present is Moffett Park occupying 600 acres north of State Highway 237. Originally established by Moffett Park Association in 1962, the industrial land was acquired in 1972 by Prudential Insurance Co., which added 53 acres to the original holdings. Prudential now has 450,000 square feet of buildings under construction. About 30 percent of this is manufacturing space; the balance is devoted to warehousing and research and development. Principal tenants are Lockheed, Atari, Northern Telecom, Intel, Design Optics, ESL, Control Data, and Stereo West.

General Electric Nuclear Research Center.



## CITY OF SUNNYVALE

### Industrial Parks/Districts

Name	Owner/Developer	Acreage	Year Established
Koll Business Park	Don Koll Co.	20	1976
Moffett Park	Prudential Insurance Co.	600	1962
Oakmead	Southern Pacific	350 <sup>①</sup>	1956
Peery-Arrillaga	Peery and Arrillaga	250	1959

<sup>①</sup> 200 acres in Sunnyvale the balance is in the City of Santa Clara.

Source: City of Sunnyvale.

## MAJOR EMPLOYERS IN SUNNYVALE

### 100 or More Employees

Company	Product/Service	No. of Employees
Addington Laboratories, Inc.	Electronic components, R & D	175
Advanced LSI Tech	Semiconductors	107
Advanced Memory Systems, Inc.	Semiconductor, memory systems	750
Advanced Micro Devices, Inc.	Integrated circuits	556
Aertech Industries	Microwave equipment	200
Alpha Beta Markets	Retail stores	100
Amdahl Corporation	Computers	650
Ampex Corporation	Electronics, videofile, recorders	475
Anderson Jacobson, Inc.	Electronics	184
Applied Technology, Div. Itek Corp.	Electronic, microwave systems	678
Atari Inc., Div. Warner Communications	Electronic games	800
Barnes-Hind Pharmaceuticals	Pharmaceuticals	214
Boise Cascade Container Corp.	Containers	114
California Cannery and Growers	Food processing	150-1,500 <sup>①</sup>
California Microwave, Inc.	Telecommunications	300
Consolidated Video	Electronic equipment	105
Control Data	Electronics R & D	690
Cushman Electronics, Inc.	Testing instruments	200
Data Disc, Inc.	Computer peripheral equipment	165
Data General	Semiconductor mfg.	140
Data Pathing, Inc.	Electronic data collection equipment	272
Data Products	Computer memory systems	120
ESL Incorporated	Electronic R & D	1,000
Finnigan Corporation	Analytical instrumentation	278
Fremont Union High School District	Education	1,100
General Electric Co.	Aerospace	152
General Electric Co.	Nuclear energy div.	747
Hewlett-Packard	Instrumentation	533
Idylwood Convalescent Hospital	Nursing care	159
Illumination Industries, Inc.	Lamps, power supplies	103
Information Terminal	Mfg. cassettes	252
Intel Corp.	Electronics	230
International Video Corp.	Video tape recorders, TV cameras	700
Karex Inc.	Magnetic tape	102
Kirk Mayer Inc.	Engineering services	103
Libby-McNeil & Libby	Food canning	75-1,220 <sup>①</sup>
Lockheed Missiles and Space Co.	Aerospace, missiles	16,000
LSI Systems, Inc.	Electrical equipment	120
Mellonics Systems Development	Software programming	119
Monolithic Memories	Semiconductor memories	400
Moore Systems	Design, mfg. electronic systems	143
National Can Corp.	Containers	224
National Semiconductor	Semiconductors	363
Naval Plant Rep. Office	U.S. Navy	350
Pacific Telephone	Communications services	400
Ramtek Corporation	Electronics	275
SHM Nuclear Corp.	Linear accelerator mfg.	100
Signetics Corporation	Integrated circuits	1,900
Singer Precision	Electronics	412
Smith Kline Instruments	Medical instruments	140
Sperry Univac—ISS	Electronic components	579
Sunnyvale School District	Education	720
Sunnyvale, City of	Government	1,000 <sup>②</sup>
Svale Medical Clinic	Medical center	138
System Industries	Electronics	134
TRW Systems Group	Aerospace systems	169
Treasury (J.C. Penney Co.)	Computer mfg.	101
Trendata Corporation	Retailer	235
U.S. Air Force	Management division	110
United Technologies, Inc.	Missile, rocket R & D, mfg.	429
Velo-Bind Inc.	Bindings	116
Western Electric Co., Inc.	Telephone equipment	1,509
Western Microwave	Electronics	100
Westinghouse Electric Corp., Marine Division	Ship propulsion, missile launchers	2,094
Westab Inc.	Paper converters	108
Xidex Corporation	Microfilm mfg.	200

<sup>①</sup> Seasonal.

<sup>②</sup> Includes part-time employees.

Source: City of Sunnyvale.



## Building Construction

During the ten years ending in 1976 the value of building construction in Sunnyvale amounted to \$441,134,798, or an average of more than \$44 million annually.

The following tabulation shows the number of building permits and valuation in the city for the last ten years.

Calendar Year	No. of Permits	Valuation
1967 .....	1,512	\$36,544,235
1968 .....	1,885	54,362,546
1969 .....	1,594	37,602,527
1970 .....	1,412	35,265,724
1971 .....	1,700	30,641,306
1972 .....	1,370	35,629,643
1973 .....	1,632	50,424,016
1974 .....	1,429	38,018,435
1975 .....	1,755	54,473,854
1976 .....	2,307	68,136,512

Source: City of Sunnyvale.

The tabulation immediately below presents a breakdown of permit values by types of construction for the 1972-1976 period. Industrial permit valuation in the city accelerated sharply in 1973, and has remained at high levels. Sunnyvale is one of the fastest growing home building areas within Santa Clara County, as reflected in the residential data, averaging more than \$21 million annually over the five years. Permit values in the 1976 calendar year were the highest in the city's history.

In recent years, a strong trend toward the development of multi-unit garden type apartments and condominiums has taken place. This is shown in the summary at the bottom of this page.

In the tabulation at the top of the following page is a listing of the largest building permits issued by the city during the January-September 1976 period.

## Commercial Activity

Sunnyvale's central business district and outlying population center encompass a wide variety of commercial enterprises. During the period from 1971 through 1975, the number of sales outlets increased 568 to a total of 2,116 and total taxable transactions increased nearly 80 percent.

## CITY OF SUNNYVALE

### Building Permit Value

	1972	1973	1974	1975	1976
Residential .....	\$16,723,937	\$19,382,020	\$13,974,006	\$21,965,550	\$33,701,557
Commercial .....	6,848,917	5,956,229	4,742,003	4,810,052	3,869,376
Industrial .....	10,633,300	22,339,785	17,666,969	14,494,294	27,411,356
Public .....	532,164	1,368,209	256,687	11,123,422	1,769,275
All other .....	891,325	1,377,773	1,405,770	2,080,536	1,384,948
<b>Total .....</b>	<b>\$35,629,643</b>	<b>\$50,424,016</b>	<b>\$38,018,435</b>	<b>\$54,473,854</b>	<b>\$68,136,512</b>

Source: City of Sunnyvale.

## CITY OF SUNNYVALE

### New Residential Units

Type	1974	1975	1976
New single-family units .....	149	196	365
Value .....	\$4,934,000	\$ 8,629,000	\$19,471,661
New multi-family units .....	629	684	610
Value .....	\$7,570,000	\$10,020,000	\$11,392,064

Source: City of Sunnyvale.

## CITY OF SUNNYVALE

### Major Building Permits Issued During 1976

Type	Owner/Builder	Permit Value
Industrial .....	Geggatt Co.	\$ 600,000
Apartments (56) .....	H. J. White Inc.	918,720
Condominiums (100) .....	Alpha Land Co.	2,000,700
Industrial .....	Lockheed Aircraft Corp.	556,979
Office Buildings .....	Carl Holvick	1,104,000
Apartments (88) .....	Central Park Apartments	1,522,642
Industrial .....	L. E. Wentz Co.	990,000
Industrial .....	Prudential Insurance Co.	900,000
Industrial .....	Arrillaga and Peery	533,000
Stores .....	Self Service Furniture	500,000
Apartments (92) .....	Evelyn Gardens	1,553,719
Apartments (48) .....	Blackwell Homes	697,350
Industrial .....	Barnes Construction Co.	630,000
Tract Homes (21) .....	Sunnyview Dev. Inc.	826,989
Church .....	Carl Holvick	800,000
Industrial .....	Oakmead Inv.	500,000

Source: "California Construction Trends", Security Pacific Bank.

Twenty shopping areas make Sunnyvale a major retail trade center on the San Francisco Peninsula. Although retail sales still account for about 70 percent of total taxable transactions in the city, an increasing share is accounted for by non-retail outlets as Sunnyvale continues to industrialize. This is re-

flected in the accompanying summary of taxable transactions since 1971.

A breakdown of 1975 taxable transactions by type of business (the latest complete year) appears below.

## CITY OF SUNNYVALE

### Taxable Transactions by Type of Outlet 1975

Business	Permits	Taxable Transactions
Apparel stores .....	36	\$ 5,580
General merchandise .....	16	10,431
Drug stores .....	18	5,969
Food stores .....	51	16,676
Packaged liquor stores .....	26	6,901
Eating and drinking places .....	181	30,048
Home furnishings, appliances .....	36	2,928
Building materials, farm implements .....	22	22,014
Auto dealers, auto supplies .....	48	81,400
Service stations .....	81	25,388
Other retail stores .....	149	28,831
Retail stores totals .....	664	236,166
All other outlets .....	1,452	100,226
Totals all outlets .....	2,116	\$336,392

Source: State Board of Equalization.



## CITY OF SUNNYVALE

### Taxable Transactions 1971-76

Year	Retail Sales		Total Sales	
	Permits	Transactions	Permits	Transactions
1971 .....	561	\$140,118,000	1,548	\$187,062,000
1972 <sup>①</sup> .....	606	170,128,000	1,720	226,592,000
1973 .....	611	199,535,000	1,814	277,284,000
1974 .....	624	212,773,000	1,968	322,272,000
1975 .....	664	236,166,000	2,116	336,392,000
1976 (6 mos.) .....	677	126,071,000	2,235	184,535,000

① Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

## Transportation

Convenient freeway, railroad, air, and seaport facilities of the San Francisco Bay Area provide Sunnyvale's industries with ready access to regional, national, and international markets.

U.S. 101, a major north-south highway between San Francisco and Los Angeles, traverses the northern part of the city. This route provides access to the deep sea ports at San Francisco and Redwood City as well as the air passenger and cargo facilities of San Francisco International and San Jose Municipal Airports. Interstate 280 (Junipero Serra Freeway) traverses the southern limits of the city, providing an alternate link between San Francisco and San Jose. Joining these two freeways is State Highway 85 (Stevens Creek Freeway).

State Highway 82 (El Camino Real) provides additional north-south traffic circulation. State Highway 237 connects the city with Interstate Highway 680 and State Highway 17, the principal routes which provide access to the Port of Oakland, Oakland International Airport, and distribution facilities of the East Bay. The city is also ringed and crossed by expressways to expedite intracity and intracounty movement to and from its industrial and other employment centers.

Rail facilities of Southern Pacific serve the city's major industrial parks and manufacturing centers. In addition, the city is served by 65 common motor carriers which are capable of providing overnight delivery to Los Angeles and second morning's delivery to San Diego, points in the Pacific Northwest, and as far east as Salt Lake City.

Local bus transportation is provided by the Santa Clara County Transit System. Greyhound Bus Lines maintains a local passenger and parcel terminal.

## Education

The Sunnyvale Elementary School District (grades K-8) operates 16 schools in the city. Current enrollment of approximately 7,750 is projected to decline slightly over the next few years, based on studies and forecasts by the school district. A sharp upsurge in enrollment in the 1950's and 1960's has abated. The Cupertino Union Elementary School District also operates nine elementary schools in Sunnyvale.

Public instruction in the secondary grades is provided by the Fremont Union High School District, which operates seven high schools. Of these, two regular high schools and a continuation school are located in the city. Current enrollment in the entire district has leveled off at about 14,000 students. Sunnyvale students account for nearly 50 percent of this total. School district enrollments are shown on the next page.

Community two-year colleges in the area, with 1975 enrollments in parentheses, include Foothill College (14,211) in Los Altos Hills, DeAnza College (19,757) in Cupertino, San Jose City College (14,233), and West Valley College (21,152), with campuses at Campbell and Saratoga. A third campus (Mission) is now under construction north of U.S. 101, immediately east of the Sunnyvale city limits.

Superior educational and research facilities of the San Francisco Bay Area are available to Sunnyvale

## PUBLIC SCHOOL DISTRICTS SERVING SUNNYVALE

District	Grades	Enrollment <sup>①</sup>			
		1973	1974	1975	1976
Sunnyvale Elementary .....	K-8	9,168	8,679	8,273	7,751
Cupertino Union Elementary .....	K-8	22,276	21,568	20,758	19,712
Fremont Union High .....	9-12	13,635	13,644	13,894	13,924

① End of sixth school month.

Source: County Planning Department.

residents. At neighboring Palo Alto is Stanford University, one of the nation's foremost centers of engineering research and education in the fields of electronics, atomic energy, and medicine.

The oldest public higher education institution in the State of California is located a few miles southeast of Sunnyvale. San Jose State University, au-

thorized by the State Legislature in 1862, offers a wide variety of undergraduate and graduate level courses. The faculty includes more than 1,000 educators, and student enrollment exceeds 27,000.

The University of Santa Clara, a Jesuit school with an enrollment of more than 7,000, is California's oldest private institution of higher learning. Located

Example of recent apartment construction in Sunnyvale.







Clubhouse at Sunnyvale Municipal Golf Course.

adjacent to Sunnyvale in Santa Clara, the University offers a wide variety of undergraduate courses through a faculty of over 200.

Other nationally known institutions of higher education accessible to Sunnyvale include the University of California at Berkeley, University of California at Santa Cruz, University of San Francisco, State Universities at Hayward and San Francisco, Mills College, and St. Mary's College.

### Financial Institutions

The city is served by sixteen offices of eight banks as follows: Bank of America NT & SA (5), California First Bank, Crocker National Bank (3), Wells Fargo Bank (2), Bank of California, United California Bank, First National Bank of San Jose (3), and Security Pacific National Bank.

Additional financial services are provided by the following savings and loan associations: American, Brentwood, Coast Federal, El Camino, West Coast Federal, and World.

### Utilities

Electricity, natural gas, and telephone service are provided by Pacific Gas and Electric Company and Pacific Telephone Company. The water supply comes from local wells, the Hetch Hetchy system of the City and County of San Francisco, and the Santa Clara Valley Water District. The city provides sewer service.

The city's water pollution control plant is currently being up-graded to handle tertiary treatment of wastes, under a \$13 million program expected to be completed in January 1978. The city is also initiating



a source control program to monitor control of wastes.

## **Community Services and Facilities**

Sunnyvale's \$4 million Community Center was completed in 1973. Located on a 20.5 acre site with parking for 381 cars, the Center has four buildings housing a creative arts activity, a performing arts center, an indoor sports facility, and a general recreation center. The city's Resource Allocation Plan (Budget) calls for the addition of an arboretum to the Community Center, with construction expected to start in 1977.

The El Camino Hospital District serves the greater part of Sunnyvale. Its 464-bed, acute-general care hospital, with 536 affiliated doctors and 1,000 employees, is located in Mountain View. Also adjacent to the city is the Kaiser Foundation Medical Center, with 318 beds.

The city's unique Public Safety Department is one of the few in the country whose officers are trained to serve as firemen and policemen. Considerable economies in manpower, equipment, and facilities are effected through the combination of fire and police services. A new communications center, complete with computerized information systems, makes possible coordinated rapid response to fire and police emergencies. The department's facilities include a headquarters building and six fire stations. For fire insurance rating purposes, the city has a Class 3 rating.

Sunnyvale's park and recreation facilities are exceptional. There are 764 acres of parks in the city. Extensive development of park areas has been made possible from the expenditure of over \$4.5 million in bond funds approved by the electorate. Existing facilities include an 18-hole municipal golf course, one 9-hole public course, 15 major neighborhood parks, nine teen centers, four swim centers, and a 10-court tennis center. The city has a 250-acre park in the nearby Santa Cruz Mountains. Another 400 acres, currently undeveloped, has been designated as a future Baylands Regional Park. Initial development is expected in 1977.

The city has started development of Northside Center, a community project designed to serve residents of the northern part of the city. To be located here will be a branch library, a public safety resource office, and a recreation facility.

An addition to the main city library in 1971 has doubled its capacity. The existing collection approximates 200,000 and annual circulation exceeds 700,000. The library's collection is complemented through cooperative arrangements with the public libraries in the neighboring cities of Mountain View, San Jose, Santa Clara and the county. A U.S. Patent Library is maintained, the only one outside of Washington, D.C. The library's book inventory and patron registration system is handled completely by computers in order to provide a full on-line circulation and inventory control system.



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